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REPORT ON UNCTAD'S ASSISTANCE TO THE PALESTINIAN PEOPLE

Prepared by the UNCTAD secretariat

Executive summary

As the development needs facing the Palestinian economy pose new challenges for policy makers, Palestinian economic growth potentials continue to be constrained by structural weaknesses arising from historical trends. The new economic policy environment created by the Israel-Palestine accords since 1993 has made important contributions to enhancing the regulatory framework and operating conditions for revival of the economy, propelled by a vigorous private sector. However, a range of macroeconomic and sectoral issues remain to be addressed as the Palestinian economy prepares for greater regional cooperation and integration in the global economy. UNCTAD's programme of assistance to the Palestinian people has aimed, since 1995, to provide concrete technical assistance to examine problem areas and technical issues, advise on requisite policy measures and build the capacities of policy makers and private sector practitioners involved in developing Palestinian trade, financial and related services sectors. UNCTAD's activities in this area revolve around four programme clusters: trade policies and strategies; trade facilitation and logistics; finance and development; and enterprise, investment and competition policy. By linking the findings of analytical and empirical research in these areas to specific technical assistance needs identified by the Palestinian Authority, the secretariat has been able to deliver targeted technical assistance in areas of its competence. This has helped to attract growing support from bilateral and multilateral funding sources for UNCTAD projects to initiate reform and modernization in key areas of Palestinian economic governance, while developing increasingly cooperative relationships with other agencies that provide assistance to the Palestinian people.

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Chapter I

DEVELOPMENTS IN THE PALESTINIAN ECONOMY, 1999-2000

1. The economic policy environment in the occupied Palestinian territory[1] during the last year of the interim period established by the Israel-Palestine accords of 1993 featured a renewed sense of impending change. This was spurred by the urgent need to realize the promised economic dividends of the peace process after five years of interim period decline, coupled with expectations for a resolution in 2000 of the pending interim and permanent status issues between the parties. Inherent to the concept of the interim period and the establishment of the Palestinian Authority (PA) was that it should allow for a gradual transformation of the regulatory and institutional environment affecting Palestinian economic activity. Moving away from the restrictive conditions prior to 1994, a transitional enabling environment was envisaged along modern lines promoting enterprise, growth, development and the realization of economic potentials. By 1999, most of the opportunities for economic reform offered by the interim accords had been exhausted, but some areas of further progress were registered over the past year in the regulatory and institutional framework.

2. In June 2000, Israel and Palestine signed a much-delayed agreement to permit the expansion of one of the lists of goods which the PA is permitted to import according to its own policy from neighbouring Arab markets. These goods originally involved less than 100 items, limited by quotas. The new agreement sets the scene for further diversification in Palestinian trade flows and specifies some 1,300 items, which are duty-exempt if imported from Egypt or Jordan up to a quota of $22 million. In addition, Israel agreed to reimburse PA entitlements to purchase taxes on imports from/through Israel. Though future trade and economic relations remain to be negotiated, these final economic modifications to interim period accords indicate a basis for constructive trade cooperation between the parties.

3. Meanwhile, the PA forged ahead with the preparation, review and adoption of a range of newly drafted laws governing political, social and economic and other activities. By mid-2000, a total of 128 draft laws had been submitted to the PA Ministry of Justice for review and transmission to the PA Council of Ministers and Legislative Council. Of these, 40 had been signed into force, while another 20 were at different stages of legislative review. Despite the constraints that characterized the interim period, the expanding evidence of the rule of law in all aspects of Palestinian life represents a significant achievement for the new Palestinian Government and an encouraging sign for future economic and social development.

4. The PA has recently produced a comprehensive statement on its commitment to ensuring that "economic policies over the coming years make a positive and significant contribution to overcoming the challenges facing the Palestinian economy".[2] This was first reflected in the formation this year of the Higher Council for Development (HCD), to oversee PA efforts to enhance governance and strengthen public finances. The strategic role envisaged for the HCD "represents an important reorientation of the PA's economic policies"[3] and will help to bring Palestinian public policy more into line with global standards, as follows:

- Consolidation of disparate public revenue accounts at the PA Ministry of Finance;

- Curtailing current public expenditures, which have continued to grow unchecked;

- Full disclosure of information on PA commercial operations and investments;[4]

- Designing a privatization strategy for PA holdings; and

- Elaborating PA policy on public debt.[5]

5. Finally, as permanent status negotiations between Israel and Palestine have progressed since 1999, so have preparations intensified at all levels to elaborate economic policy guidelines, negotiation strategies and development programmes to guide the Palestinian economy in the "post-interim" period. This year also witnessed further improvements in PA institutional performance in economic management, and increasing inter-ministerial harmonization and rationalization. This bodes well for the future development of a public sector that delivers basic social services that the Palestinian people have come to expect, while promoting the dynamic role of the market, and the vast potentials for growth, development and regional cooperation and integration that this path promises.

6. Following the troubled start of the interim period, the Palestinian economy turned around in 1997 and has since continued to grow and demonstrate its potential for sustained expansion.[6] Table 1 presents a summary of major economic indicators, based on available official statistical sources. Palestinian gross domestic product (GDP) and gross national income (GNI - includes labour income from Israel) grew in 1998 by 7 per cent and 8 per cent, respectively.[7] This translates into per capita GDP and GNI growth of 6 and 7 per cent, a rate not witnessed since before 1988. Preliminary data for 1999 and 2000 indicate that aggregate, and especially per capita, income is projected to continue to grow, albeit at lower rates.

7. This performance is reminiscent of the 1992-1993 and pre-1988 expansion periods, which were usually followed by steep decline, highlighting the Palestinian economy's vulnerability to external pressures and shocks. As was the case prior to 1994, Palestinian GDP constitutes no more than three quarters of gross national disposable income. The structure of aggregate demand features a high ratio of private consumption to GDP, indicating no structural shift from historical economic trends, whereby external income rather than domestic expansion fuels aggregate demand. Meanwhile the share of public consumption has grown to the equivalent of almost a quarter of GDP since 1994, mainly owing to unrestrained government recruitment. The level and share of gross capital formation have grown in recent years, reflecting the unabated boom in private residential construction activity since 1994. Though public investment is a more significant component of aggregate demand than prior to 1994, it remains at lower levels than apparent needs as outlined in the Palestinian Development Plan.

Table 1: Palestinian territory[a]: key economic indicators, 1994 and 1996-1998

INDICATOR/UNITS	1994	1996	1997	1998
National accounts				
Gross domestic product - GDP (million US$)	2 624	3 413	4 173	4 484
Gross national income - GNI (million US$)	3 096	3 864	4 906	5 475
GDP per capita (US$)	1 274	1 497	1 500	1 548
GNI per capita (US$)	1 503	1 695	1 763	1 890
Expenditure on GDP				
Private consumption including non-profit institutions (per cent of GDP)	105	106	100	98
Government consumption (per cent of GDP)	13	20	23	24
Private investment, including changes in inventories (per cent of GDP)	23	26	35	32
Government investment (per cent of GDP)	6	7	7	6
Goods and services trade balance (per cent of GDP)	-51	-59	-65	-60
Balance of payments				
Goods and services balance (million US$)	-977	-1 856	-2 074	-2 439
Net factor income - NFI (million US$)	575	469	606	828
Net current transfers - NTR (million US$)	559	594	385	354
Current account balance: goods, services, NFI, NTR (million US$)	157	-793	-1 083	-1 256
Donor finance (million US$)	665	735	716	549
Net capital movements, errors, omissions and discrepancies (million US$)	822	-58	-367	-707
Population and employment				
Population (thousands)	2 060	2 279	2 782	2 896
Unemployment (per cent of labour force)	15	24	20	15
Employment in Israel (per cent of total employed)	18	14	17	21

Sources: – National accounts, population and employment: Palestinian Central Bureau of Statistics (PCBS) and Palestine Economic Policy Research Institute – MAS, MAS Economic Monitor, No. 6, April 2000.

– Expenditure on GDP: for 1994, UNCTAD secretariat estimates; for 1995/6-1998 PCBS.

– Balance of payments: Palestinian Authority and International Monetary Fund, "West Bank and Gaza Economic Policy Framework – Progress Report", 31 May 2000.

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a Excluding east Jerusalem.

8. The deficit in trade in goods and services has grown sharply since 1994, owing to an unprecedented and sustained surge in imports, reflected also in a ratio of imports to GDP that now regained historically high levels. On the other hand, the value of Palestinian exports onl recently regained the level already attained in the early 1980s. The merchandise trade deficit accounts for the bulk of the current account deficit, which is dominated by trade with Israel. Nevertheless, a gradual trend towards openness to more diverse sources of imports is one rec

positive sign in this sector. The current account balance, which was historically in surplus, has acquired since 1996 a serious deficit position. Exports, net factor income from work in Israel and current private transfers from Palestinian expatriates and other non-official sources help to finance the huge import bill. These items, however, are insufficient to balance the current account deficit, which is partially offset by donor finance. Since 1996, supplier credit and other forms of short-term commercial debt, as well as official debt, have covered the part of the current account deficit that appears to be related to import financing needs.[8]

9. While the management of PA public finances has improved in recent years, the domestic and external financial challenges faced by the emerging Palestinian economy have become greater. The PA budget for 2000 reached $1.4 billion, 70 per cent of which is devoted to payroll and operating expenditures. Development expenditures remain wholly dependent on donor finance, which is increasingly made available in the form of loans. The budget deficit has been reduced since 1997, and should be eliminated in 2000, but arrears remain from previous years. A significant new challenge to emerge is the growing PA public debt, which reached over $600 million by 1999. The PA is just beginning to elaborate policy and technical criteria for incurring public debt, which to date has been accumulated without any central guidance or resort to defined objectives or priorities or according to established economic feasibility. Though the proportion of debt to GDP in 1998 was low as compared to many indebted developing economies, this should be viewed in the light of the short period during which PA external debt accumulated. While debt service on most loans is low and has yet to commence, balance-of-payments pressures could fuel further official indebtedness.

10. The preceding paragraphs demonstrate that, despite the progress made in reform of the enabling environment during the interim period, the Palestinian economy today remains adversely dependent on the growth path emerging from the impact of prolonged occupation. This path exhibits a steep reliance on external resources (factor income, remittances, aid and loans), weak domestic employment generation capacity and distortions in the use of economic resources, the structure of production and trade and in resources allocated to health, education and the procurement of knowledge. These distortions continue to affect the pace of economic activities and result in a low level of per capita income and an erratic, and generally low, rate of income growth. To increase both, and to promote comprehensive economic development, the PA will have to elaborate a strategy that will shift the economy to a qualitatively new growth-augmenting, positive path dependence that features higher efficiency and a higher-income trajectory. While the post-interim period political and economic framework will permit a more systematic effort to reorient macroeconomic and sectoral policies in order to attain these goals, the continued availability of external resources will remain crucial to sustaining the reconstruction and development programme over the coming decade.[9]

Chapter II

UNCTAD ASSISTANCE TO THE PALESTINIAN PEOPLE

A. UNCTAD programme of technical assistance to the Palestinian people

11. Since the first advisory and assessment missions to the Palestinian Authority (PA) undertaken by UNCTAD staff in 1995, the technical assistance provided by UNCTAD to the Palestinian people has evolved into a multifaceted and integrated programme of technical cooperation, drawing upon the expertise of the secretariat as a whole. When UNCTAD embarked on activities of technical assistance to the PA, these were conceived within the framework of its "Programme of Technical Cooperation Activities in Support of Palestinian Trade, Finance and Related Services",[10] endorsed by the PA in 1995. This Programme outlined capacity and institution-building assistance under six headings: international trade procedures; trade policies and strategies; commodity trade and export promotion; commercial transport systems and services; investment and enterprise; and, international financial flows. The initial focus of UNCTAD technical assistance was determined by the priority needs identified by the PA, at the early stage of its reconstruction and development programme.

12. However, as the range of technical assistance needs has since widened, the secretariat's expertise and corresponding capacity to respond effectively has also grown, while PA capacity to absorb such assistance has improved. Accordingly, UNCTAD's involvement has assumed a clearer programmatic profile, with activities clustered under four programmes:

- Trade policies and strategies;
- Trade facilitation and logistics;
- Finance and development; and,
- Enterprise, investment and competition policy.

13. By linking the findings of UNCTAD's analytical and empirical investigation in each of these areas to specific technical assistance needs identified by the PA, the secretariat has been able to deliver targeted technical assistance in areas of its competence. In each of these programme areas, advisory services, group training and other modalities of technical assistance are deployed with the overall aims of:

- Bolstering PA policy-making, managerial and institutional capacities to enhance performance of the trade, public finance and related services sectors; and
- Contributing to the creation of an appropriate enabling environment to mobilize the development potentials of the Palestinian private sector.

14. By 2000, five projects had been implemented, with operational activities ongoing under six other projects. New advisory services and projects requested by the PA were to commence or were under consideration in nine other areas, as donor support for UNCTAD's technical assistance programme has increased. The following sections report on progress made in these different areas, while table 2 provides additional information on funding status and approximate expenditures to date. By 2000, the secretariat had secured only 47 per cent of the total funds required to implement all UNCTAD technical assistance proposals prepared since 1997. This proportion is an improvement over last year, but a large gap remains between required and committed resources. Donor support is still sought for 14 UNCTAD ongoing and proposed projects that remain unfunded or are only partially funded.

B. Trade policy and strategy

1. Training programme in international commercial diplomacy: Phase I (implemented)

15. Group training activities under this project were funded jointly by UNCTAD, UNDP and the United Nations Institute for Training and Research (UNITAR). The third and final training session was held in November 1999, focusing on negotiation strategies and skills. The training exercises took the form of a simulation, in addition to presentations by UNCTAD and international experts, for 18 senior officials from seven PA Ministries involved in bilateral and multilateral negotiations. It was designed to focus on the options related to various trade arrangements; monetary issues; negotiation strategy development, skills and techniques, role-playing, and bilateral simulation exercises; and, selected WTO-related issues. Training materials developed by UNCTAD and adapted by PA trainers were used for follow-up commercial diplomacy training workshops conducted by national trainers for PA officials.

2. Training programme in international commercial diplomacy: Phase II (ongoing)

16. Following the successful implementation of the first phase of operational activities in this area, the PA has requested a second round of training activities and advisory services, for which some funding has been pledged and activities commenced. Phase II activities are designed to consolidate the achievements in all components of this project and focus advisory services on specific issues of concern to the PA, especially with respect to its future relationship with the multilateral trading system. It would further promote interaction and help build a consensus between the Palestinian public and private sector on issues of joint concern. Proposed activities include: a High-Level Symposium on the status of WTO negotiations; information/training sessions for public and private sector participants on emerging WTO issues; advisory services on priority WTO issues identified by the PA; and, training in negotiation skills and techniques for officials involved in trade negotiations. Adaptation and selective translation of training materials is also necessary to enable their wider application.

Table 2. UNCTAD PROGRAMME OF TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE, 1997-2001

Programme/Project (partially funded and unfunded projects are indicated in italics)	PA Counterpart	Duration	Funding status (US$ - excl. AOS)			Source of Funding*	Implementation Status
			Total Budget	Pledges	Expenditures		
TRADE POLICIES AND STRATEGIES							
TPS1: Training programme in international commercial diplomacy: PHASE I	Ministry of Economy and Trade	1998-1999	70 000	70 000	70 000	UNITAR UNDP UNCTAD	Implementation completed 1999; three group training workshops.
TPS2: Training programme in international commercial diplomacy: PHASE II	Ministry of Economy and Trade	2000-2001	110 000	65 000	15 000	United Kingdom	Implementation commenced early 2000 with UK Trust Fund resources. Co-funding sought for balance ($45 000) of total budget.
TPS3: Bilateral and regional trade arrangements	Ministry of Economy and Trade	1998-2000	90 000	35 000 10 000	35 000	UNCTAD UNDP	Expert and staff advisory services 1998-1999; new activities pending on regional issues.
TPS4: Transit trade and transport	Ministry of Economy and Trade	2000-2001	30 000	-	-	-	Advisory/expert services and group training workshop; funding sought.
TPS5: International procurement of strategic food commodities	Ministry of Supply	2000-2001	80 000	-	-	-	Project proposal under revision; potential donor identified.
TRADE FACILITATION AND LOGISTICS							
TFL1: Strengthening operational capacities in customs administration	Ministry of Finance	1997-1999	20 000	-	20 000	UNCTAD	Assessment missions 1997 and ASYCUDA presentation 1999.
TFL2: PA subregional cooperation with Egypt and Jordan: PHASE I	Ministry of Economy and Trade	1998-1999	120 000	110 000	110 000	UNDP	Implementation complete 1999; follow-up advisory services provided 2000.
TFL3: Strengthening trade efficiency: Trade Point Palestine Ramallah	Ministry of Economy and Trade	1999-2000	170 000	90 000 30 000	60 000 30 000	Italy UNDP	TPPR operational 2000; Gaza follow-up unfunded.
TFL4: PA subregional cooperation with Egypt and Jordan: PHASE II	Ministry of Economy and Trade	2001	90 000	-	-	-	Follow-up project proposal; funding sought.
TFL5: Managerial and institutional capacities for Gaza Seaport	Ministry of Planning and International Cooperation	2000-2001	60 000	-	-	-	Port mission (port cell and port legislation) approved; funding sought.
TFL6: Preparations for ASYCUDA	Ministry of Finance	2000-2001	720 000	-	-	-	UNCTAD proposal for preliminary phase and installation approved; funding sought.

Programme/Project (partially funded and unfunded projects are indicated in italics)	PA Counterpart	Duration	Funding status (US$ - excl. AOS)			Source of Funding*	Implementation Status
			Total Budget	Pledges	Expenditures		
TFL7: Human resource development in trade: TRAINFORTRADE	Ministry of Economy and Trade	2000-2001	200 000	40 000	40 000	UNDP	Initial activities 1998; follow-up needs assessment pending; funding sought.
TFL8: Statistical series on international trade	Palestinian Central Bureau of Statistics	2001	120 000	-	-	-	Project proposal outdated: requires new consultations and reformulation
FINANCE AND DEVELOPMENT							
FD1: Strengthening capacities in debt monitoring and financial analysis	Ministry of Finance	2000-2001	450 000	450 000	-	Norway	Final donor approval pending; project activities should commence last quarter 2000
FD2: Strengthening capacities of the domestic insurance sector	Ministry of Finance	2001	150 000	-	-	-	Advisory services 1997; new assessment mission and project proposal update pending
FD3: Palestinian macroeconomic simulation framework	Ministry of Economy and Trade	2000-2001	50 000	-	-	-	Advisory services and group training workshop; funding sought.
INVESTMENT, ENTERPRISE AND COMPETITION							
IEC1: Feasibility study for Nablus industrial estate	Ministry of Industry	1997-1999	260 000	260 000	230 000	UNDP	Implementation complete 1999
IEC2: Support for small and medium-size enterprise development (EMPRETEC)	Ministry of Planning and International Cooperation	2000-2001	300 000	300 000	-	Italy	Project document under preparation; activities commence last quarter 2000.
IEC3: Investment promotion policies	Ministry of Economy and Trade	1998-2000	40 000	-	10 000	UNDP	Participation of PA experts in regional symposia; new advisory services pending.
IEC4: Palestinian competition policy	Ministry of Economy and Trade	2000-2001	-	-	-	-	Assessment mission planned late 2000
Total: 20 projects	Six PA counterparts	1997-2001	3 130 000	1 460 000	620 000	-	

* In addition, an average of 2 work/months per annum of UNCTAD regular staff resources is devoted to each project, for backstopping or advisory services.

3. Bilateral and regional trade arrangements (ongoing)

17. Advisory services were extended to the PA in 1998-1999 in the context of preparations for forthcoming trade negotiations with different trading partners. The PA Ministry of Economy and Trade requested that UNCTAD intensify its advisory services and channel appropriate expertise to the PA, especially in the areas of national trade policy development and assessing strategic trade policy options. While the training programme in international commercial diplomacy addresses these requirements at the multilateral level, issues need to be examined at the bilateral and regional levels, including the implications of Palestinian accession to the Pan-Arab Free Trade Area (PAFTA). Extrabudgetary resources are needed to help the PA elaborate the "Palestinian trade policy and sectoral development strategy", as proposed at the recent United Nations Inter-Agency Meeting and currently under consideration by the PA.

4. Transit trade and transport (ongoing)

18. As part of preparations for future trade agreements, the PA has requested technical assistance from UNCTAD in designing transit transport framework agreements with immediate partners in the context of subregional cooperation in this area. Drawing on its experience in other regions of the world, the secretariat will be able, using existing resources, to extend limited advisory services in this area. This would include assessment of the physical and policy prerequisites for streamlined reciprocal transit transport arrangements with Israel, Egypt and Jordan and identification of the issues to be included in transit transport framework agreements, in line with current international standards and norms. A fuller response to the PA request, including group training of officials responsible for management of transit transport facilities, is contingent on the availability of extrabudgetary resources.

5. International procurement of strategic food commodities (proposed)

19. UNCTAD advisory missions since 1995 have outlined a number of measures for action within the framework of a technical assistance project, including a seminar on food commodity trading and commodity supply management. Following the expression of interest in this project by a potential donor, new consultations were initiated with the PA Ministry of Supply in 2000. The PA has re-examined the draft project proposal in the light of current circumstances and needs, and has made a number of suggestions to enhance its design and impact. It is envisaged that this pilot project would reveal a number of areas for follow-up assistance to the PA in the area of commodity trade, at both the import and the export levels, as well as related physical infrastructure requirements. Technical assistance needs in the latter area would be of relevance to other international agencies which will be invited to participate in the seminar, such as the Food and Agriculture Organisation (FAO), the World Food Programme (WFP) and the Societé Genèrale de Surveillance (SGS).

C. Trade facilitation

1. Strengthening operational capacities in customs administration (implemented)

20. UNCTAD's technical assistance in this area began with advisory missions in 1996-1997, which included recommendations for reform of institutional and procedural arrangements

affecting customs administration. Following a request by the PA General Directorate for Customs and Excise, UNCTAD fielded a new advisory mission in November 1999 to assess PA information technology needs in the area of customs procedures and to demonstrate the ASYCUDA++ programme to a group of PA officials. The mission prompted serious interest in the ASYCUDA system by PA participants and officials (see para. 26 below). In addition, the mission produced a detailed assessment report and recommendations for action by the PA on general trade facilitation measures and on commencing preparatory work leading towards automation of declaration processing procedures.

2. PA subregional cooperation with Egypt and Jordan in trade-related services: Phase I (implemented)

21. This project was designed to build upon the achievements of the peace process since 1993 and the accords between the PA and Egypt and Jordan regarding cooperation in customs procedures, transport coordination, and streamlining trade-related business services and operations. A substantive report on the issues covered by this project and its policy and procedural recommendations was published by UNCTAD in early 2000.[11] By the end of 1999 all programmed activities had been completed, with a tripartite governmental meeting in Amman attended by the three project national focal points and representatives of UNCTAD and UNDP. At that meeting, the representatives of Egypt, Jordan and the PA agreed that the conclusions and recommendations of the Ramallah workshop, conducted under this project, constitute an appropriate technical work programme to revitalize trade cooperation and a basis for activating existing cooperation frameworks. They also proposed that the tripartite Ministerial meeting proposed by the Ramallah workshop should aim at adopting a concrete action plan that can be implemented. The representatives of the three partners also proposed that the need to develop a common vision for future economic and trade relations should be addressed.

22. In addition, several follow-up steps emerged from this project at the subregional and PA levels. A technical meeting of the Palestinian, Egyptian and Jordanian Trade Points was hosted in Cairo in November 1999 by the Egyptian International Trade Point, with UNCTAD participation and UNDP support, to discuss developing tripartite cooperation. In addition, two UNCTAD advisory missions were fielded at the request of the PA in early 2000. The first mission examined further development of Palestinian Trade Points and cooperation with other Trade Points in the region, while the second mission assisted in designing the terms of reference for a national trade and transport facilitation committee, in the context of ongoing private sector initiatives in this area.

3. Strengthening trade efficiency: Trade Point Palestine Ramallah: Phase I (implemented)

23. The Trade Point Palestine Ramallah (TPPR) was established in 1999, with UNCTAD and UNDP support. The PA Ministry of Economy and Trade hosted TPPR during its development phase, which was completed by early 2000. Once TPPR was fully operational and had begun to provide trade information and facilitation services to a group of Palestinian small and medium-size enterprises, the PA decided to relocate it with a private sector host. On the basis of a technical assessment of the potential private sector hosts for TPPR, the Palestinian Trade Centre (PALTRADE) was selected as the most suitable trade-promotion and facilitation organization

capable of sustaining and developing the Trade Point. In March 2000, under the patronage of the PA Minister of Economy and Trade, TPPR was formally launched at PALTRADE as an integral component of its trade support services. The main objective of TPPR will continue to be to coordinate the delivery of trade support services to the Palestinian business community and to encourage the participation of new companies and entrepreneurs, particularly small and medium-size enterprises, in regional and international trade. If the full potential of this project is to be realized, follow-up activities, training and extension of the Trade Point concept to link Gaza will require fresh extrabudgetary support into 2001.

4. PA subregional cooperation with Egypt and Jordan in trade-related services: Phase II (proposed)

24. In the light of the successful implementation of Phase I of this project, the PA, supported by Egypt and Jordan, requested that UNCTAD pursue its technical assistance proposals to promote subregional cooperation in these sectors and seek the necessary resources to implement a second phase of work. UNCTAD is currently seeking funding for this project. Specifically, the Phase II project would proceed along three simultaneous substantive tracks, aimed at activating the recommendations emerging from Phase I and widening the subregional framework for developing and diversifying Palestinian external trade:

- Promotion and dissemination among the private sector of Egypt, Jordan and the PA of the findings of the June 1999 Ramallah workshop, updated as relevant;

- Deepen the investigation of Egypt-Jordan-PA trade-related services by covering a key sector not included in Phase I (logistics and distribution networks);

- Expand the scope of subregional cooperation with the PA in trade-related services by including other potential regional trade partners, with particular emphasis on the implications for trade facilitation issues of Palestinian accession to the PAFTA.

5. Managerial and institutional capacities for Gaza Seaport (proposed)

25. Further to a request in 1999 from the PA Ministry of Planning and International Cooperation that UNCTAD renew its assistance in this area, the secretariat proposed an UNCTAD port mission to Gaza, focusing on the PA request for assistance in preparation of port legislation. The proposed mission would also produce a follow-up technical assistance project proposal to establish a port cell to serve as technical secretariat to the Gaza Seaport Authority. The port cell would supervise planning, construction and commissioning of the seaport, and ensure adequate interlinkages between the legal, engineering, commercial, environmental, security and other technical aspects of the project. Efforts to mobilize resources to cover the mission costs have been suspended since 1999 owing to new delays in commencing seaport construction. However, as construction work finally commenced in mid-2000, the PA has signalled its interest in UNCTAD initiating contacts to secure the necessary funding to provide the requested technical assistance to the PA in this area.

6. Preparations for ASYCUDA (proposed)

26. After careful examination of UNCTAD recommendations made by the 1999 advisory mission, the PA Ministry of Finance (Directorate General of Customs and Excise) endorsed UNCTAD's proposal to install ASYCUDA++ with the PA. In July 2000, the PA requested UNCTAD to identify possible funding sources for the preliminary phase of the project, which could be followed by full-fledged installation. Acting as an interim solution in order to capture declaration statistics and enhance revenue collection, the preparatory project would enable the PA to: reconcile customs declarations against the list supplied by Israel; generate statistics for integration into the existing PA computerized system; and use ASYCUDA statistics to apply audit controls. This would involve installation of a simple system at Gaza International Airport and other selected sites for processing of simplified declarations, as well as installation of a system at one central office, intended to process declarations post-clearance. Relevant technical and functional training of customs officials would also be undertaken, as well as a legislative and tariff review. The preliminary phase would also aim to define the needs for a more comprehensive system to cover all types of customs transactions and to assess training and equipment required for the roll out of the system to all relevant offices. Consultations are under way with a potential multilateral funding source to further develop this proposal and secure the necessary funding for the ASYCUDA preparatory phase.

7. Human resource development in trade: TRAINFORTRADE (proposed)

27. Owing to resource constraints, UNCTAD was not able to develop a TRAINFORTRADE programme for the PA, as outlined in previous proposals (preparation of training materials, organizing training workshops, and advisory services to strengthen local training capacities). As a first step, the PA has requested that UNCTAD supervise a training needs assessment exercise and help to prepare a training strategy and programme. This would serve as the basis for subsequent resource mobilization efforts to develop Palestinian training capacities in this area, which is acquiring growing significance as the Palestinian economy becomes more open to international trade on various levels. The newly developed TRAINFORTRADE materials and the revived focus of the programme should provide a strong basis from which to develop a comprehensive project in this area, drawing on formidable Palestinian capacities and institutional experience in academic and technical education.

8. Statistical series on international trade (proposed)

28. Since the advisory missions conducted by UNCTAD in 1996-1997, the work of the Palestinian Central Bureau of Statistics (PCBS) in this area has progressed substantially. Exchange of information with the PCBS continues, and recent consultations have identified some possible areas for closer cooperation. These include the integration of PCBS series on international trade into the UNCTAD Economic Time Series (ETS) database, as well as possible advisory services aimed at enhancing the quality of these series. In the context of the proposed ASYCUDA project, there will be scope for making a concrete contribution to developing more reliable and accurate trade statistics, in close cooperation with PCBS.

D. Finance and development

1. Strengthening capacities in debt monitoring and financial analysis (proposed)

29. As reported previously, in 1999 the UNCTAD secretariat, in close consultation with the PA Ministry of Finance, finalized a project proposal to assist the PA in this key area of governance. The proposal has four major components: establishing the institutional environment for the PA Debt Office; computerizing the Debt Office through installation of the UNCTAD Debt Management and Financial Analysis System (DMFAS 5.1); compilation of DMFAS 5.1 in Arabic; and, preparation of guidelines for financing public investment and optimal use of public debt instruments. In early 2000, the PA submitted the project proposal to a bilateral donor, who has agreed in principle to fund this major project proposal. The establishment by the PA of the Higher Council for Development (see chapter I), whose mandate includes oversight of public debt issues, provided added impetus to this project, in the light of its contribution to promoting improved financial management and transparency. It is expected that project activities will commence before the end of 2000.

2. Strengthening capacities of the domestic insurance sector (ongoing)

30. UNCTAD advisory services on this issue in 1996-1997 assisted the PA Controller of Insurance in brokering the insurance law, defining the role of the supervisory authority and the effective operation of the motor accident victims' fund. The secretariat also prepared proposals for technical assistance in the training of insurance regulators and agents, though resources to continue work in this area have not been available. UNCTAD remains ready to provide follow-up advisory services to assist the PA as it develops its strategy for this sector, which is facing an increasingly critical situation owing to the undeveloped state of the insurance industry and resulting difficulties in regulating the market.

3. Palestinian macroeconomic simulation framework (ongoing)

31. Building on its previous research and analysis on the Palestinian economy, the UNCTAD secretariat has completed updating and reprogramming a statistical database and econometric analysis framework for examining prospects for sustained development of the Palestinian economy. The "Palestinian Macroeconomic Simulation Framework (MSF), 1994-2010" charts pre-1994 relationships between major Palestinian demographic and economic aggregates and projects alternative scenarios for future performance in the light of optional assumptions and policy decisions. Developed primarily as a research instrument for the secretariat, the MSF is also intended for use as an illustrative reference tool by Palestinian research, planning and policy-making centres. The initial findings of the MSF were presented at two recent seminars on the Palestinian economy and will be published by UNCTAD. A software and database version of the MSF will be made available to the PA. Discussions are under way with the PA on the most appropriate context for installation of the MSF, as well as Palestinian training needs in the field of economic modelling and forecasting.

E. Investment, enterprise and competition

1. Feasibility study for Nablus industrial estate (implemented)

32. This project involved the preparation by UNCTAD of a comprehensive feasibility study for the planned Nablus Industrial Estate (NIE), in close cooperation with the PA Ministry of Industry and the Palestinian Industrial Estates and Free Zone Authority (PIEFZA). The project had been fully implemented by mid-1999. Subsequently, UNCTAD was informed that bilateral donors were considering financing off-site development costs of the NIE, while a private sector developer consortium is to be formed to finance on-site infrastructure and manage the Estate. PIEFZA has informed UNCTAD that it will continue to need assistance in this area, in particular with regard to attracting investors to NIE. Subject to the outcome of further consultations, UNCTAD hopes to be able to respond favourably to this request.

2. Support for small and medium-size enterprise (SME) development (proposed)

33. In the context of the MED2000 programme, implemented jointly by UNCTAD and other agencies, it has been possible to include the PA in UNCTAD's technical assistance programme aimed at promoting the development role of SMEs. In preparing for its technical assistance to the PA in this new area, the secretariat carefully investigated field conditions and evaluated optional assistance strategies, taking into consideration the range of ongoing donor-financed programmes for this sector. This entailed a programming mission undertaken by UNCTAD staff in late 1999, which was followed up by preparation by an international consultant of a field report on the Palestinian SME landscape and development needs.[12] A second project formulation mission in April 2000 resulted in agreement to launch the EMPRETEC programme in the Palestinian territory later this year, with local implementation by a Palestinian private sector host, the Palestinian Development Fund (PDF). This project to enhance and consolidate top-level Palestinian entrepreneurial skills will be closely coordinated with related programmes under way to provide technical assistance, industrial upgrading, improved access to project finance and marketing support to Palestinian SMEs.

3. Investment promotion (ongoing)

34. In the light of the effective implementation of the Nablus Industrial Estate project, UNCTAD was included in a shortlist comprising mainly of local and international private sector firms which were chosen to participate in a "Quality Based Selection" of proposals to provide technical assistance to the Palestinian Investment Promotion Agency (PIPA). The proposed project, to be funded by the World Bank, addressed a number of technical assistance needs in the area of investment appraisal and promotion under the mandate of PIPA, which was established in accordance with the Palestinian Investment Encouragement Law. UNCTAD's proposal, submitted in late 1999, was rated a very close second among the six proposals received and thus was not selected. UNCTAD has meanwhile assured the PA of its readiness to respond to requests for technical assistance to PIPA as may be required, subject to resource availability.

4. Competition law and policy (proposed)

35. One of the key areas for policy reforms to be pursued by the PA in the context of the work of the Higher Council for Development (see chapter I) is in the area of privatization of PA commercial holdings and creating a more transparent and hospitable environment for private sector competition. Discussions have been held with the PA on its work programme in this new area of concern, but its precise technical assistance needs have yet to be identified. As the role of the Council is expanded in the coming period and the need grows to establish legal and institutional competition safeguards, UNCTAD will maintain its contacts with the PA so as to be able to respond to any request for assistance in this area of its competence.

Chapter III

HARMONIZATION, RESOURCE MOBILIZATION AND WORK PROGRAMME

A. Inter-agency cooperation, donor support and consultations with Palestine

36. In line with the medium-term plan for 1998-2001, UNCTAD has intensified collaboration with other international organizations in order to enhance synergies, avoid duplication and coordinate related activities. In several areas, the United Nations Development Programme, in a close cooperative approach to work in areas of common concern, provides funding and implementation arrangements for UNCTAD projects. The UNCTAD secretariat also maintains a regular exchange of information with the United Nations Special Coordinator in the Occupied Territory (UNSCO) and participated actively in the Sixth United Nations Inter-agency Meeting, held in June 2000 in Gaza. That Meeting marked the first time that agencies involved in supporting Palestinian trade and investment were called upon to join resources and expertise to prepare, in close cooperation with concerned PA Ministries, a "Palestinian Trade Policy and Sectoral Development Strategy", for consideration and adoption by the PA.

37. Since 1999, the secretariat has continued cooperation with other agencies active in the field. Forms of cooperation include project coordination, provision of experts and training materials for technical assistance activities, joint resource mobilization efforts, exchange of information and pooling of contacts. Relations in this period have been further developed with: UNCTAD/WTO International Trade Centre; the United Nations Economic and Social Commission for Western Asia; the United Nations Industrial Development Organization; the International Labour Organization; the United Nations Division for Palestinian Rights; the World Bank; the International Monetary Fund; and Palestinian and international non-governmental organizations involved in extending assistance to the Palestinian people.

38. The past year has witnessed a transformation in the capacity of the secretariat to provide concrete and effective technical assistance to the Palestinian people. This may be ascribed to a number of factors, such as: the profile established by the secretariat over the first few years of its efforts in this area, amidst a wide field of international and bilateral actors; the growing need of the PA at this stage in its institutional development for the type of technical assistance that an agency like UNCTAD is able to provide; and, improved managerial capacities within the PA Ministries with which UNCTAD deals. However, the major impetus for UNCTAD's increased involvement in technical assistance to the PA has surely been the recognition by major bilateral donors of the technical relevance and competence of UNCTAD's different technical assistance activities, globally and in this special case as well. UNCTAD's activities of assistance to the Palestinian people have benefited from generous extrabudgetary support already provided or pledged by the Governments of Italy, the Netherlands, Norway and the United Kingdom. However, UNCTAD proposals for technical assistance to the Palestinian people in a number of project areas remain pending. This constrains the secretariat's ability to deliver prompt, effective and comprehensive assistance in response to priority requests by the PA and highlights the need for more vigorous support for the secretariat's technical assistance proposals at this important juncture in the development of the Palestinian economy.

39. In line with the relevant General Assembly resolutions, close consultations are maintained with Palestine and the functional Ministries of the PA at all stages of work programme implementation, in particular as regards project design and execution. As one of the first international organizations to analyse the issues surrounding the development of the Palestinian economy in the 1980s, and in the light of its effective and carefully targeted technical assistance activities since 1995, the secretariat has developed close cooperative relations with Palestine. Needless to say, this relation will develop further as Palestine becomes fully involved in the UNCTAD intergovernmental machinery.

B. Future activities under the secretariat's 2000-2001 work programme

40. Paragraph 9.13 (e) of the United Nations medium-term plan for the period 1998-2001 requires the secretariat "to continue the work of UNCTAD, in accordance with its mandate, in assisting the Palestinian people to develop capacities for effective policy-making and management pertaining to international trade, investment and related services". Paragraph 167 of the Plan of Action adopted at UNCTAD X welcomed the assistance provided by UNCTAD to the Palestinian people and called for it to be intensified. As manifested by the above report on the scope of technical cooperation activities completed, under way or planned by the secretariat, this mandate is being addressed in a comprehensive and sustained manner.

41. The activities envisaged under the revised UNCTAD programme budget for the biennium 2000-2001 further develop the major tracks already established for UNCTAD's work on assistance to the Palestinian people. Programmed activities include: (a) annual reports on UNCTAD's assistance to the Palestinian people for the consideration of the Trade and Development Board, reflecting the research and operational activities conducted by the secretariat; (b) three non-recurrent publications: a comprehensive assessment completed in 2000 on Palestinian economic performance in the interim period and future directions for national policy and regional cooperation; the findings of the above-mentioned UNCTAD MSF; and a guide to Palestinian SMEs; (c) advisory services; (d) group training; and (e) formulation and implementation of field projects. An evaluation of the impact of technical assistance to the Palestinian people was presented in last year's report to the Board,[13] and each UNCTAD project includes performance indicators to monitor progress of work and measure impact. These benchmarks have been largely attained in completed projects, though a systematic assessment of impact remains to be undertaken, subject to resource availability.

42. Secretariat activities concerning assistance to the Palestinian people are backstopped as necessary by the different substantive divisions of the secretariat and are coordinated by the Assistance to the Palestinian People Unit (APPU) in the Macroeconomic and Development Policies Branch of the Division on Globalization and Development Strategies. The past year has permitted a strengthening of regular budget staff resources devoted to this area of work with the appointment in 2000 of the Coordinator, Assistance to the Palestinian People. The strengthened resource base devoted to this work area will permit UNCTAD to sustain and deepen its role in assistance to the Palestinian people in the coming years.

Notes

[1] In accordance with the relevant General Assembly resolutions and decisions, references in this report to the occupied Palestinian territory pertain to the Gaza Strip and West Bank, including east Jerusalem. For purposes of brevity, the term "the Palestinian territory" is also used as appropriate.

[2] Palestinian Authority and International Monetary Fund, "West Bank and Gaza Economic Policy Framework – Progress Report", 31 May 2000, p. 4. This important document was presented to the meeting of the Ad Hoc Liaison Committee of Donors, Lisbon, 7-8 June 2000, and subsequently released publicly.

[3] Ibid.

[4] The estimated market value of all PA commercial holdings was estimated at $345 million at the end of 1999, ibid. Annex I.

[5] This was reported to have reached over $600 million in 1999: Palestinian Economic Policy Research Institute – MAS, MAS Economic Monitor, No. 6, April 2000.

[6] The published sources for data and estimates on Palestinian economic performance, which are used in this report all draw upon three main PA sources: the Palestinian Central Bureau of Statistics, the Ministry of Finance and International Monetary Fund staff estimates:

- MAS Economic Monitor, op. cit.;
- "West Bank and Gaza Economic Policy Framework – Progress Report", op. cit.
- Office of the United Nations Special Coordinator "Report on the Palestinian Economy", UNSCO, Gaza, Autumn 1999.

[7] Unless otherwise indicated, economic data presented here exclude east Jerusalem.

[8] Palestinian balance-of-payments data are generally considered weak, and feature serious errors, omissions and discrepancies, which might account for a part of this deficit in "net capital movements", estimated at over $700 million since 1999. Otherwise this item reflects the effective external financing needs of the Palestinian economy.

[9] In the context of an ongoing technical assistance project (see chapter II, D.3), the UNCTAD secretariat has developed a Palestinian "Macroeconomic simulation framework" (MSF). The framework demonstrates the capacity of the economy to break out of the current adverse path dependence, reduce major macro distortions (trade deficit, saving/investment gap and chronic unemployment) and productively absorb a large returnee population over 10 years. This would be achieved through a combination of policies to enhance domestic savings and investment, expand and diversify exports and better allocate significant flows of external resources.

[10] Issued in document UNCTED/ECDC/SEU/11, Geneva, 27 December 1995.

[11] UNCTAD. Cooperation between the Palestinian Authority, Egypt and Jordan to enhance subregional trade-related services. UNCTAD/GDS/SEU/3, Geneva, 14 February 2000.

[12] A guide to Palestinian SMEs based on this research work will be issued by UNCTAD in early 2001.

[13] UNCTAD. Report on UNCTAD's assistance to the Palestinian people. TD/B/46/5, Geneva, 10 August 1999.

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SEGMENT FOR HIGH-LEVEL PARTICIPATION :

REGIONAL INTEGRATION AND THE GLOBAL ECONOMY

Issues note by the UNCTAD secretariat

GE. *200005242O* LS

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I. INTRODUCTION

1. The increased interest in regional economic integration has intensified concerns and debates about its impact on alleviating poverty and enhancing the prospects for development. These concerns also reflect the fact that record rates of growth in international trade in goods and services and direct and portfolio capital flows have not substantially improved the development prospects of many developing countries. For example, an estimate based on current trends shows that by 2008 the number of people living on less than a dollar a day will remain stable at about 1.2 billion.

2. International economic integration is a complex process involving trade in goods and services, foreign direct investment and monetary issues. If properly managed, and complemented with appropriate policies, international economic integration could make a significant contribution to enhancing the position of developing countries in the world. This note identifies some of the economic aspects of regional economic integration in relation to its potential role in promoting pro-poor development.

II. WHY REGIONALISM?

3. Developing countries have consistently and openly acknowledged that increased international trade in goods and services, capital flows and foreign direct investment within a framework of a fair and equitable set of multilateral rules are integral components of the development process. However, existing approaches at the multilateral level have fallen considerably short of meeting the needs of developing countries. The concerted efforts of developing countries to become full participants in an increasingly interdependent global economy continue to be stymied by biases and asymmetries in both the trading and financial system. The bottom line for most countries is that they are not able to approach and sustain the kind of growth performance required to begin tackling the problems of poverty and underdevelopment. The question that is central to this debate is: does regionalism offer a solution?

4. On the trade side, one of the major areas of disappointment lies in both the architecture and lack of benefits arising from the Uruguay Round agreements. These problems are so entrenched that the implementation of the Uruguay Round agreements is a key issue in the debate on how the multilateral trading system could better accommodate the interests of developing countries.

5. Apart from the difficulties encountered in international trade, the increased frequency of international currency and financial market crises, including in countries with a record of good governance and macroeconomic discipline, suggests that financial instability is systemic in nature and global in reach. Moreover, though financial flows have been at the centre of recent crises in developing countries, trade

imbalances and other external shocks have undoubtedly added to the difficulties of managing more open capital accounts.

6. A main reason for the growing vulnerability of developing countries to external shocks has been the dismantling of institutional checks and balances at the national level and particularly the failure to redefine appropriate government interventions and controls as economies became more integrated into the global economy. Given that a wholesale retreat from greater openness is neither likely nor desirable, national policy efforts are not sufficient to deal with future financial crises. There is therefore a need to establish institutions and mechanisms at the global level in order to reduce the likelihood of such crises and to manage them better when they occur.

7. However, the slow pace, the modest goals and the absence of decisive action in respect of multilateral reforms of the international financial system create incentives for Governments to work towards regional arrangements to protect themselves from future speculative attacks and financial crises.

8. Thus, failures at the multilateral level to solve issues that require international cooperation are one reason for identifying regional policy responses that better account for the needs of developing countries. These arrangements could also provide a framework that supports and accommodates existing trade, investment and capital linkages.

9. Another reason for regionalism is the opportunity that it offers to stage the integration of developing countries into global markets. Market access for goods is at the core of trade programmes of most regional integration efforts. A major development issue in this regard is the ability of small member economies to access the markets of bigger member economies and where possible exploit scale and scope economies. On the import side, a sequencing of gradual market opening allows firms, especially small and medium-size enterprises, the time needed to learn how to compete. This stems from the fact that regional integration arrangements can have members at different levels of development, but such divergence is unlikely to be as great as with full liberalization. There is some evidence that regional integration tends to be effective in stimulating trade and industrial change where the members have a strong link to a major economy/market. Such examples include SACU with South Africa, MERCOSUR with Brazil, and NAFTA with the United States.

10. It should, however, be pointed out that regional integration arrangements are likely to arise from a combination of factors that go beyond economic reasons. These could include geopolitical objectives, such as strengthening political relations or security with neighbouring countries. Whether economies benefit from a particular regional trade agreement depends on the nature of the enforcement mechanism, the scope and coverage of its provisions, and the broader circumstances in which the agreement operates.

III. APPROACHES TO REGIONAL INTEGRATION

11. Although the need for cooperation and coordination at the regional level has long been acknowledged, there is no single unified approach that fits all regions and different types of countries. Attempts at balancing the positive and negative aspects of regional integration arrangements (RIAs) have resulted in a variety of approaches to regional economic integration. A common approach has been to conclude arrangements such as customs unions and free trade areas. In some particular cases, a secretariat subsequently administers these agreements. In other cases, informal approaches without secretariats that emphasize voluntarism, trade and investment facilitation and cooperation have been adopted. Recently, a different approach that liberalizes trade and investment over segments of national borders has also become common.

12. Regional agreements among developing countries have been an important feature of those countries' economic policies over the last 30 years. The rationale for these initiatives was similar to that for other arrangements: to promote industrialization and benefit from economies of scale at the regional level. However, despite an initial expansionary period, many of these arrangements failed to implement the agreed provisions. The time lags in implementation and the partial failure of these attempts to manage trade in support of strategic industrial policies led many developing countries in the 1980s to shift their approach towards regional trading schemes. In the new international economic environment characterized by rapid globalization and increased liberalization of trade flows, RIAs among developing countries have been redesigned to become more outward-oriented in order to remain central to the development strategy of developing countries.

13. The first wave of regional integration efforts was characterized by inward-oriented integration amongst similar countries that focused predominantly on tariff and non-tariff measures. Recently, however, the trend is moving towards outward-oriented, mixed agreements where developed countries are signing RIAs with developing countries. Perhaps the most significant development in RIAs is their trend towards 'deep integration' issues that go beyond border measures. Increasingly, they now include measures on investment, competition policy and services. This expansion into non-border measures has also encompassed, in some cases, areas of domestic law such as standards.

14. Three specific efforts to broaden RIAs can be identified – in services, investment and competition policy. Some RIAs included services provisions prior to the completion of the General Agreement on Trade in Services, and hence provided some experience in liberalizing this mode of international commerce. Developing country RIAs also include services provisions. For example, the ASEAN Free Trade Agreement includes a services protocol, and MERCOSUR and SADC have services provisions.

15. There is still considerable debate about responding to the question of whether or not formal RIAs can actually have an effect on trade flows. Part of the problem is in identifying the counterfactual – what would have been the pattern of international trade flows in the absence of an RIA? Various attempts at disentangling effects have concluded that for some agreements the share of intra-bloc trade did not rise as an independent result of an RIA. Part of the explanation lies in the myriad of factors that affect trade, in particular growth in incomes. For many of the countries that are members of RIAs, trade with non-member countries increased, which dampens the effects of trade diversion.

16. Not only trade-related but also investment provisions are now becoming quite common in many RIAs, due mostly to the interdependence between the two mechanisms for integration. There is evidence that FDI responds to regimes that are open to trade and that have undertaken significant market reforms. Hence, RIAs with only a trade component can add a degree of investment policy credibility, which can be further enhanced by including investment provisions.

17. RIAs can also affect FDI flows through their impact on market size and growth, which are two of the more important economic determinants of FDI. The possibility of accessing a market wider than that of a single country for tradable goods and services becomes an inducement to invest in the region. This incentive is further enhanced if the RIA is a customs union, since 'tariff jumping' FDI could be induced.

18. RIAs can also affect investment flows in the absence of specific investment provisions through rules of origin provisions that are an important element of any RIA. A very high rules of origin threshold induces investment within the geographic area of the RIA in similar fashion to that of local content schemes. In order to obtain the preferential market access associated with an RIA, production will have to meet the rules of origin criteria. In some cases this may have a distorting effect on resource allocation.

19. Efforts to include investment provisions are the most notable developments in the area of deep integration. Chapter eleven of the North American Free Trade Agreement is perhaps the most prominent due to its scope, coverage and dispute settlement mechanism. The nine members of the ASEAN Free Trade Agreement have agreed to establish an ASEAN Investment Area. The agreement is notable for its negative list approach and structured phase-out of restrictions in the temporary exclusion list.

20. Despite the scope for enhancing development prospects through coordination or harmonization of various economic policies at a regional level, only a few RIAs have managed to address sensitive sectors and issues. In most cases these sectors are excluded or protected through overarching contingent measures. So far only a handful of RIAs have seriously tackled issues such as streamlining competition and

antidumping policies. For example, only the European Union, European Economic Area and Australia-New Zealand Closer Economic Relations Trade Agreement have agreed to replace antidumping measures with competition policies. A slightly different approach was adopted in the Canada-Chile FTA, where antidumping was simply abolished, instead of using competition policy as an alternative tool for free and fair trade at the regional level.

21. Deepening and strengthening regional integration through trade and FDI flows raises a question as to whether or not these efforts need to be complemented with parallel efforts on monetary flows. Awareness of the need to investigate possible avenues for regional financial integration rose during the recent financial crises.

22. There is extensive experience in regional monetary arrangements, dating back to the last century. The European Union provides the most significant contemporary example but there are several other arrangements involving developing countries designed to facilitate mutual international payments and to provide mutual support in external financing. Although some view such arrangements as conflicting with the pursuit of multilateral reforms, others see their design as an essential complement to the process of creating a more integrated and balanced global economic system.

IV. ISSUES ON PURSUING A DEVELOPMENT-FRIENDLY REGIONAL INTEGRATION STRATEGY

23. Empirical evidence about the extent to which RIAs enhance the prospects for economic growth is mixed, depending on the features of the arrangements. The recent experience with 'new regionalism' suggests the potential for accelerated growth still exists, making it incumbent on national policy makers and international organizations to design appropriate regional integration schemes. What must be done is to develop a coherent and pragmatic strategy that allows developing countries to use regional economic integration as a mechanism to meet the demands of global competition, while at the same time improving the quality of their international economic integration. In this regard there are a number of issues at different levels that need to be addressed so that developing and developed countries can construct RIAs that are pro-poor and development-friendly. These issues will inevitably take into account the linkages between trade in goods and services, foreign direct investment and monetary issues.

A. Regionalism and multilateralism

24. Regionalism and multilateralism should be not be perceived as substitutes. Both have existed for a substantial period of time, and efforts to intensify regional linkages will continue, despite progress at the multilateral level. The central issue, therefore, is to identify ways to ensure that the dialogue between regionalism and multilateralism from the development perspective is intensified.

25. This would include ensuring policy coherence between efforts at both levels, especially where the degree of discrimination in favour of members of a grouping is significantly large. Policy coherence between the two sets of regimes could be envisaged to ensure that vital national interests in terms of development and poverty alleviation are advanced in both regimes.

26. It is entirely possible for negotiations within RIAs to be WTO plus in the sense that they could be precedent-setting in including issues that are not yet part of current WTO negotiations. At the same time, regional integration can deal with the same issues dealt with under the WTO, while involving separate packages. For example, market access negotiations in the WTO aim at MFN (non-discriminatory treatment), whereas a regional integration grouping with a free trade agreement involves a discriminatory arrangement. How far should developing countries progress beyond WTO disciplines? To what extent should deep integration be encouraged within RIAs, and how will this affect the prospects for development? What disciplines are required at the multilateral level to ensure policy coherence?

27. The growing trend in mixed agreements also raises issues of how the developing countries should approach regional negotiations. In particular, special and differential treatment in the form of exemptions and longer transition periods for meeting obligations are allowed for developing countries in mixed RIAs. In some cases, special funds and programmes are also established to assist developing countries to meet their obligations, handle adjustment costs and implement the agreed provisions. However, given the general level of dissatisfaction over the value of special and differential treatment at the multilateral level, are there lessons at the regional level for designing more effective special and differential treatment measures?

28. The record of achievement for South-South arrangements remains mixed. Some have been successful in encouraging both economic growth and development, while others have not. What efforts are required to assist in designing South-South arrangements that encourage enterprise development, promote competitiveness and allow these countries to better meet their development needs? There is an urgent need to identify more efficient mechanisms to augment the negotiating capacities of developing countries, especially within the context of South-South agreements. How can this be accomplished? What role is there for international institutions?

B. Investment and enterprise development in regional agreements

29. There are those who argue that plurilateral rules are needed in a world where FDI flows are growing at a record pace. Others argue that these flows have increased in the absence of investment rules. Nevertheless, there is a growing and visible tendency to negotiate investment provisions at the regional level, creating the expectation that such efforts are assisting firms, especially small and medium-sized enterprises, to develop the capacity to compete in international markets.

30. The approaches to handling investment issues have varied considerably. The North American Free Trade Agreement has a broad-ranging provision that includes firm-state dispute resolution, whereas some RIAs exclude investment completely. Others such as APEC have taken an incremental approach by endorsing a set of non-binding investment principles. Within the context of enhancing development prospects, are there clear advantages of one approach over another? Should investment arrangements be separate from trade arrangements?

31. Regardless of the approach that has been taken, a major issue is whether or not the expansion of RIAs to include investment will influence investment decisions. Enhancing the environment for investment need not be confined to addressing legally binding rules. It could also include concerted attempts at investment facilitation. In this regard, what policy measures have regional groupings adopted to make their region "attractive" to investors within the region and to "overseas" investors? What has been the medium-to-long-term effects on enterprise development within member States? Are there specific measures that can be targeted at small and medium-size enterprises to allow them to develop competitive advantages from RIAs that will allow them to compete in global markets?

C. Regional monetary arrangements

32. Given the links between trade and finance, existing RIAs may well serve as an appropriate platform to address a number of concerns identified in the wider debate on reform of the international financial architecture. Better information gathering, standard setting and surveillance of national policies have all been stressed in the wake of the Asian financial crisis. However, could greater familiarity with and sensitivity to local conditions that would complement any global efforts be expected from regional institutions?

33. Furthermore, regional monetary arrangements may have the capability to pool significant national reserves and act as an effective crisis lender when the global modalities regarding the provision of liquidity, its adequacy, the conditions attached to lending and its funding still contain large gaps and many of their features are controversial. Is such an approach feasible?

34. Timely provision of international liquidity to pre-empt large currency swings is seen as essential to effective crisis management and prevention, and there is a growing consensus that better management of exchange rates in developing countries requires targeting real exchange rates. This again might best be undertaken at the regional level, particularly where close regional trading ties are an integral part of growth dynamics.

35. In all these respects, the strength of regional institutional arrangements, their phasing and the scope of membership require careful examination. However, since even the most successful experiences with regional integration of trade, production and financial flows have produced both positive and negative influences on financial stability and growth, the prospects for success of new arrangements in this area will be enhanced by a careful examination of existing ones and of how their best features may be adapted to other regions.

36. Furthermore, a number of general issues regarding the compatibility of regional and monetary arrangements need also to be addressed. For example, is there more to cooperation than standard setting, improving transparency, monitoring and sharing information? What would a regional monetary fund look like and how would it work? What are the possibilities for cooperation and coordination at the regional level on exchange rate policies? Are regional arrangements an obstacle to further global integration? How would trade and financial regional arrangements be coordinated? What coherence problems would policy makers face?

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OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

Progressive development of the law of international trade: thirty-third annual report of the United Nations Commission on International Trade Law

Note by the UNCTAD secretariat

Attention is drawn to the report of the United Nations Commission on International Trade Law on the work of its thiry-third session, held in New York from 12 June to 7 July 2000 (A/55/17).

As provided in section II, paragraph 10, of General Assembly resolution 2205 (XXI), the report is being submitted to the Trade and Development Board for comments or recommendations.

Copies of the report will be made available in each language version received, in limited quantities.

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INDICATIVE PLAN OF UNCTAD'S TECHNICAL COOPERATION FOR 2001

Note by the UNCTAD secretariat

1. UNCTAD X, in paragraph 164(vi) of its "Plan of Action" (TD/386), requested the secretariat to submit to member States an "annual indicative plan of technical cooperation programmes".

2. Following this request, the present document includes information on:

(i) Ongoing projects which are expected to continue in 2001;

(ii) Projects proposed by the secretariat with a view to implementing the mandate of UNCTAD X, as well as mandates given to UNCTAD by the General Assembly;

(iii) Projects proposed as a result of specific requests received from beneficiaries.

For most projects under (ii) and (iii), financial support still needs to be identified.

3. The plan is intended to implement the Technical Cooperation Strategy of UNCTAD adopted by the Board at its fifteenth executive session in June 1997. It is also intended to:

(a) Inform delegations, cooperating organizations and other interested parties of the operational activities that have been approved for the year 2001 and those which the secretariat is proposing for 2001;

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(b) Facilitate discussions with potential donors on the mobilization of the necessary extrabudgetary resources to implement the plan. Barring exceptional cases, all the secretariat's requests to potential donors for funding will be from among proposals contained in this plan; and

(c) Serve as the secretariat's monitoring tool.

4. The information contained herein is broken down as follows: (a) title of the project; (b) expected duration; (c) status; and (d) when available, approximate total budget in US dollars.

5. Inclusion of new proposals (see paragraph 2(ii) and 2(iii) above) is based on one or more of the following considerations:

(i) An explicit request received by the secretariat from a developing country or a country in transition;

(ii) A request for assistance mandated by the General Assembly, by the Conference, the Trade and Development Board or a Commission;

(iii) Consistency with the implementation of the UNCTAD X Plan of Action as reflected in the work programme set out in the programme narrative for the UNCTAD programme budget for 2000-2001 (TD/B/47/3).

6. Only the projects considered a priority have been included in this version of the plan. Moreover, in response to the Bangkok Plan of Action and, in particular, its paragraph 166, projects included in the plan place particular emphasis on capacity-building. In this regard, please see paragraphs 10 to 16 below.

7. The Trade Point Programme includes requests for technical cooperation received from Governments. Bearing in mind the decision adopted by the Working Party at its thirty-fourth session in September 1999 on the follow-up to the evaluation of the Trade Point Programme (TD/B/49/9), the secretariat has decided to bring project proposals in this area to the attention of member States. Activities envisaged under these proposals are consistent with the need to help developing countries and countries in transition as per paragraphs 156 to 158 of the UNCTAD X Plan of Action, as well as paragraphs 26 and 27 of General Assembly resolution 54/198 of 22 December 1999.

8. Implementation of most of the proposals in the plan is contingent upon the mobilization of additional resources. Moreover, as it is expected that new requests will be made and that existing proposals may be modified, constant adjustments to the plan will be required.

Special focus on capacity building

9. The individual and collective ability of people in a country to sustain themselves and make progress depends critically on the quality, performance and legitimacy of their institutions and organizations on all levels of society. With this in view, the General Assembly, in its resolution 53/192 reaffirmed that "capacity building and its sustainability should be explicitly articulated as a goal of technical assistance provided by the operational activities of the UN system at the country level, with the aim of strengthening national capacities in the fields of, *inter alia*, policy and programme formulation, development management, planning, implementation, coordination, monitoring and review". ECOSOC, in its resolution 1999/5, stressed that "the UN system should adopt flexible responses to specific capacity building needs as articulated by recipient countries in accordance with their national development plans and priorities".

10. As defined by the ACC Guidance Note on Capacity Building, sustainable capacity building encompasses the building of organizational and technical abilities, behaviours, relationships, and values that enable individuals, groups and organizations to enhance their performance effectively to achieve their development objectives over time. It includes strengthening both the processes, systems and rules that shape collective and individual behaviour and performance in all development endeavours, as well as people's ability and willingness to play new developmental roles and to adapt to new demands and situations.

11. Effective capacity building programmes at the country and regional level depend on:

- National ownership and commitment in the form of priority setting, skills and resources;
- Its consideration as one of the principal and explicit goals of any development programme and project, rather than a component or a by-product of such programmes/projects;
- Its pursuance on the basis of a holistic approach and a shared understanding of its definition;
- Coherence between policy analysis, technical cooperation and the intergovernmental machinery; and
- Enhanced partnership.

12. In the past few years, increased focus on capacity building has been given to technical cooperation services provided by UNCTAD. Moreover, enhancement of capacity building has been a

major concern of UNCTAD's member States. Consequently the Plan of Action of UNCTAD X gives emphasis to capacity building in all areas of UNCTAD's work.

13. In its section on technical cooperation, the Plan of Action of UNCTAD X recommended that priority should be given to those activities which enhance the capacity of beneficiary countries; the activities should have as their ultimate objectives raising the standards of living of people in developing countries through strengthening of capacity building for, *inter alia*, trade, investment and development; technical cooperation should focus on capacity building to assist developing countries integrate into the global economy (paragraph 164); and UNCTAD's existing capacity building programme should be strengthened (paragraph 166).

14. The Plan of Action also called for enhancement of technical cooperation activities, *inter alia*, through exercise of a greater degree of central oversight and the submission to member States of an annual indicative plan of technical cooperation programmes. Enhanced internal coordination will also facilitate coordination among donors for achieving coherence and complementarity of actions in support of capacity building.

15. It is against the above background that the secretariat proposals in the annual indicative plan of technical cooperation programmes for 2001 focuses on capacity building, as follows:

		Pages
A.	Division on Globalization and Development Strategies	5- 6
B.	Division on International Trade in Goods and Services, and Commodities	7-10
C.	Division on Investment, Technology and Enterprise Development	11-13
D.	Division for Services Infrastructure for Development, and Trade Efficiency	14-18
E.	Office of the Special Coordinator for Least Developed, Landlocked And Island Developing Countries	19
F.	Other technical cooperation programmes	19-21

16. The Plan also contains, in its part F, proposals for the implementation of paragraph 166 of the UNCTAD X Plan of Action. For more information on the matter, see TD/B/WP/133.

17. Explanations of the country codes used for project numbering are to be found in the annex to this document.

A. DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES

Projects proposed under this heading are based on the following recommendations of the Bangkok Plan of Action:

"In its technical cooperation in the field of debt, UNCTAD should undertake technical assistance on debt management, through its DMFAS Programme" (paragraph 168).

"The continuation of the assistance that the UNCTAD secretariat provides to the Palestinian people is welcome, and should be intensified" (paragraph 167).

The main capacity-building activities relate to debt management and to assistance to the Palestinian Authority.

The debt crisis of the 1980s brought to light the importance of effective debt management, which is a central feature in government efforts to restore stability and creditor confidence. To assist in this task, UNCTAD developed a technical cooperation package known as the Debt Management and Financial Analysis System (DMFAS), designed to improve the capacity of the country to develop appropriate administrative, institutional and legal structures for effective debt management. Assistance provided under this programme consists of three main features: the installation of ***software****, designed to fulfil the operational, statistical and analytical needs of debt managers;* ***advisory services*** *related to technical, administrative, legal and institutional debt management issues; and* ***training*** *in the use of the software and on debt management.*

Assistance to the Palestinian people aims to provide concrete technical assistance to examine problem areas and technical issues, advise on requisite policy measures and build the capacities of policy makers and private sector practitioners involved in developing Palestinian trade, financial and related services sectors.

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
Macro-economic and development policies					
CUB/...	Strengthening the capacity of Cuban public institutions to foster Cuban economic growth and its insertion into the world economy: Assistance in the mobilization of external financing (Component 2)	2001		PROPOSED	100'000
PAL/...	Palestinian macro-economic simulation framework	2001		PROPOSED	50'000
INT0T0AL	Technical support to the Intergovernmental Group of 24 on international monetary affairs	2000	2003	ONGOING	
Debt and development finance					
BDI/...	Système de surveillance de la dette (follow-up under negotiation)	2001		PROPOSED	68'000
BGD0T0AE	Debt management (follow-up under negotiation)	2001		PROPOSED	
BKF/...	Phase II: Upgrade to DMFAS 5.2	2001		PROPOSED	
BOL/...	Ampliación y fortalecimiento del proceso de informatización de la gestión de la deuda externa de Bolivia (follow-up under negotiation)	2001		PROPOSED	289'308
CHD0T0AB	Installation of DMFAS	2001		ONGOING	
CMB/...	Installation of DMFAS	2001		PROPOSED	116'265
COL/...	Installation of DMFAS	2001		PROPOSED	70'100
COS/97/A19	Phase II: Upgrade to DMFAS 5.2	2001		ONGOING	
DJI/...	Système de surveillance de la dette (follow-up under negotiation, through LDC Trust Fund)	2001		PROPOSED	
DOM/95/A05	Phase II: Upgrade to DMFAS 5.2	2000		ONGOING	
ECU/98/A45	Phase II: Upgrade to DMFAS 5.2	2000		ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
ETH/...	Registration and control of external debt (follow-up under negotiation, through LDC Trust Fund)	2001		PROPOSED	287'146
GUI/...	Installation of DMFAS	2001		PROPOSED	
INS/98/A38	Phase II: Upgrade to DMFAS 5.2	2000		ONGOING	
IRA/97/A13	Phase II: Upgrade to DMFAS 5.2	1997		ONGOING	
IVC/...	Phase II: Upgrade to DMFAS 5.2	2001		PROPOSED	
KYR/...	Installation of DMFAS	2001		PROPOSED	
LAO/...	Installation of DMFAS	2001		PROPOSED	
MAG/...	Installation of DMFAS	2001		PROPOSED	230'043
MOL/98/005	Phase II: Upgrade to DMFAS 5.2	2000		ONGOING	
NIC/...	Phase II: Upgrade to DMFAS 5.2	2001		PROPOSED	
PAL0T0AH	Installation of DMFAS	2001	2002	PROPOSED	508'161
PAR/95/003	Phase II: Upgrade to DMFAS 5.2	2000		ONGOING	
ROM/98/006	External Resources and Debt Management	1998	2001	ONGOING	
SUR/...	Installation of DMFAS	2001		PROPOSED	275'833
SYR/...	Installation of DMFAS	2001		PROPOSED	324'115
TUK/...	Installation of DMFAS	2001		PROPOSED	215'112
VIE/...	Strengthening financial policies and institutions (follow-up under negotiation)	2001		PROPOSED	
YEM/97/002	Phase II: Upgrade to DMFAS 5.2	2000		ONGOING	
INT/...	Support to Central Team	2001		PROPOSED	1'500'000
ROA-2001-2064-6875	Capacity-building for debt sustainability analysis	2001		PROPOSED	750'000

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES

Projects proposed under this heading have taken into account the following recommendations of the Bangkok Plan of Action:

In the area of international trade "UNCTAD should support capacity building in developing countries so as to progressively enable these countries to become effective players in the multilateral trading system" (paragraph 129); for trade in services "analytical work should be supported by technical assistance to strengthen domestic services capacity of developing countries" (paragraph 134), and "UNCTAD should analyse ways for developing countries to improve their supply capacity in the area of trade in services through, inter alia, human resource development and institutional capacity building (paragraph 145); in the area of electronic commerce "analytical work should be complemented by capacity building activities" (paragraph 135); on the built-in-agenda and other possible areas of negotiations, "UNCTAD should support developing countries' capacity building process" (paragraph 136); with regard to its work on regional integration and the multilateral trading system "UNCTAD should help developing countries to improve their capacity to promote their trade interests in global negotiations" (paragraph 138); on competition issues "UNCTAD should strengthen the capacity of public institutions for competition and consumer protection in developing countries and help them to educate the public and representatives of the private sector (paragraph 141); in its work on trade and environment "attention is to be paid to identifying specific capacity building needs of developing countries and promoting a broad programme of capacity building on trade, environment and development" (paragraph 146). In its work on commodities UNCTAD should support developing countries "in strengthening supply capacities in export-oriented sectors of commodities" (paragraph 144)

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
Trade negotiations and commercial diplomacy					
ALG/...	Asisstance dans le domaine du système multilateral du commerce	2001		PROPOSED	
BEN/98/A51	Suivi des accords de l'OMC et amélioration des débouchés internationaux pour les entreprises exportatrices du Bénin	1998	2001	ONGOING	
BKF/98/A52	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises du Burkina Faso	1998	2001	ONGOING	
BOT/...	Trade policy formulation, facilitation and negotiation capacities	2001		PROPOSED	39'000
BYE/94/003	Support of negotiations on accession to GATT	1994	2001	ONGOING	
EAST TIMOR	Trade policy formulation, facilitation and negotiation capacities	2001		PROPOSED	100'000
GHA/98/A54	Follow-up to the WTO Agreements and exploitation of business opportunities by Ghanaian enterprises	1998	2001	ONGOING	
IVC/98/A53	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises exportatrices ivoiriennes	1998	2001	ONGOING	
JOR/97/006	Support for Jordan's integration into the global economy		2001	ONGOING	
KAZ/98/001	Support of Kazakhstan accession to the WTO	1998	2001	ONGOING	
KEN/98/A55	Follow-up to the WTO Agreements and exploitation of business opportunities by the Kenyan enterprises	1998	2001	ONGOING	
MON/97/113	Support to the Government in its initial phase of membership in the WTO	1997	2001	ONGOING	
NEP/96/010	Nepal's accession to the WTO	1997	2002	ONGOING	
PNG/...	Trade policy facilitation and negotiation capacities	2001	2003	PROPOSED	900'000
SAM/00/001	Trade policy and export-oriented strategies for the effective integration of Samoa into the multilateral trading system	2000		ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
SAU/00/007	Support for accession to WTO	2001		ONGOING	
SWA/...	Building of national trade capacity	2001		PROPOSED	150'000
TUN/96/007	Mise à niveau des capacités nationales pour gérer le nouveau système commercial multilatéral	1997	2001	ONGOING	
UGA/98/A58	Follow-up to the WTO Agreements and exploitation of business opportunities by the Ugandan enterprises	1998	2001	ONGOING	
URT/98/A56	Follow-up to the WTO Agreements and exploitation of business opportunities by the Tanzanian enterprises	1998	2001	ONGOING	
VIE/95/024	Capacity development for effective and sustainable integration into the international trading system and promotion of trade efficiency	1996	2001	ONGOING	
ZIM/99/002	Implications of the Uruguay Round and other subregional agreements on the economy and external trade of Zimbabwe	1999	2001	ONGOING	
ZIM/...	National conference on services	2001		PROPOSED	177'000
RAF/94/A34	Post-Uruguay Round assistance to African countries	1994	2001	ONGOING	
RAF/96/001	Capacity building for trade and development in Africa	1996	2001	ONGOING	
RAF/97/A16	Implementing the General Agreement on Trade in Services (GATS) in Africa (CAPAS)	1997	2001	ONGOING	
RAF/97/A34	Post-Uruguay Round assistance to African countries	1997	2001	ONGOING	
RAF/...	CAPAS IV: building capacity to participate in multilteral trde negotiations under WTO; design appropriate strategies for trade liberalization on services	2001		PROPOSED	500'000
RAS/97/A18	Assistance to Countries of the Asian Region on MFN and Preferential Tariff Negotiations	1998	2001	ONGOING	
RLA/...	Support on issues relating to the multilateral trading system (Central America)	2001		PROPOSED	320'000
INT/84/A01	GSP technical assistance	1984	2001	ONGOING	
INT/90/A19	Negotiations for a GSTP among developing countries	1990		ONGOING	
INT/92/A04	TRAINS for GSP	1993	2001	ONGOING	
INT/93/A34	Trade relations and economic cooperation in the Mediterranean region	1993	2001	ONGOING	
INT/97/A06	Technical cooperation on market access, trade laws and preferences	1997	2001	ONGOING	
INT/98/A30	Support to the technical cooperation project on market access, trade laws and preferences (INT/97/A06)	1998	2001	ONGOING	
INT/99/A50	Training programme in international commercial diplomacy: PHASE II (UNCTAD trust fund project for WTO accession)	1999	2001	ONGOING	
INT0T0AU	Projet francophone de formation au commerce international et au développement des entreprises (FRANCODE)	2000		ONGOING	
INT/...	Capacity-building for developing countries to use the TRAINS data system to help for preparations for multilateral trade negotiations	2001	2003	PROPOSED	300'000
INT/...	Support to a positive agenda for developing countries in multilateral trade negotiations	2001		PROPOSED	3'000'000
INT/...	Support to regional and subregional integration among developing countries	2001		PROPOSED	2'000'000
ROA-2001-2064-6875	Enhancing capacity-building of developing countries and countries with economies in transition for effective integration in the multilateral trading system	2000		ONGOING	
	The secretariat has received requests for technical assistance on GSP from: ***Africa*** *Algeria, Burkina Faso, Burundi, Cameroon, Chad, Ethiopia, Eritrea, Gabon, Kenya, Morocco, Mozambique, Tanzania and Congo,* ***Asia & Pacific****: East Timor, Indonesia, Iraq, Samoa, Tonga and United Arab Emirates;* ***Latin America & the Caribbean****: Bolivia, Chile, Colombia, Cuba, El Salvador, Haiti, Paraguay, Uruguay and Venezuela* ***Europe****: Albania, Azerbaijan, Belarus, Croatia, Estonia, Poland and Ukraine.*	2001	2003	PROPOSED	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
Trade analysis					
INT/...	Capacity-building on analysing the developmental implications of special and differential treatment to assist developing countries in their integration into, and deriving full benefits from, the multilateral trading system	2001	2003	PROPOSED	150'000
INT/...	Capacity-building on analysing the development dimension and the developmental impacts of the multilateral trading system and trade policy in a globalised world	2001	2003	PROPOSED	300'000
INT/...	Capacity-building on analysing the developmental dimension in trade-related aspects of regional economic integration	2001	2003	PROPOSED	300'000
Commodities					
EAST TIMOR	Support to the coffee sector	2001		PROPOSED	
PAL/...	International trade in strategic food commodities				60'000
PAL/...	Statistical series on international trade				130'000
SWA/99/A06	Sugar policy in Swaziland (Phase II): Facilitation of entry a small scale farmers in Swaziland into sugar cane growing	2000	2002	ONGOING	
RAF/...	Training and capacity building for improving oil and gas trade and finance in Africa	2001	2003	PROPOSED	1'000'000
INT/96/A26	Commodity risk management and finance: Phase II: Raise awareness of modern market-based risk management and financing methods among developing countries and countries in transition	2000	2003	ONGOING	
INT/98/A11	Information sources on international trade rules and services for the fruits and vegetables sector	1998		ONGOING	
INT/99/A27	L'intelligence économique au service des plus démunis	1999	2001	ONGOING	
INT/99/A27	Phase II: Implementation of an Internet strategy for linking UNCTAD with other international organizations and private entities; production of CD-ROM on cocoa; development of a network for information and statistics on metals and minerals	2001	2002	APPROVED	71'000
INT/...	Enhancing the role of commodities exchanges in liberalized agricultural sector: improve flow of information among commodity exchanges and provide capacity building	2001	2004	PROPOSED	100'000
INT/...	Capacity-building for commodity diversification	2001	2003	PROPOSED	600'000
ROA-2001-2062-6875	Capacity-building and policy-networking for sustainable resource-based development	2000		ONGOING	
ROA-2001-2076-6875	Capacity-building for diversification and commodity-based development	2000		PROPOSED	1'284'000
Trade, Environment and development					
IND/99/965	The role of business partnerships in promoting trade and sustainable development	2000	2001	ONGOING	
MOZ/...	Trade environment and development in Mozambique	2001		PROPOSED	200'000
VIE/98/036	Trade, environment and development: policy implications for Vietnam	1999	2001	ONGOING	
RAS/97/A37	Creation of multi-stakeholder advisory panel on sound and cost-effective management of health and environmental risks	1997	2001	ONGOING	
RAS/...	Regional cooperation in enhancing the potential benefits of globalization and liberalization for South Asian countries	2001	2002	PROPOSED	480'000
RLA/99/A46	BIOTRADE in the Amazonian region	1999		ONGOING	
RLA/...	Implementation of the BIOTRADE Initiative in Central America				100'000
RLA/...	Capacity-building on trade and environment in Central America	2001		PROPOSED	300'000
RLA/...	Capacity-building on trade and environment in Cuba and CARICOM	2001	2003	PROPOSED	250'000

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
GLO/99/A18	Launching a plurilateral greenhouse gas emissions trading system	1999	2001	ONGOING	
INT/92/A06	Reconciliation of environmental and trade policies (Phase II): (1) Adequately valuing natural resources: continue work on internalization of environmental externalities in prices of natural and synthetic rubber products; (2) Trade environment and development in LDCs: capacity building; (3) Trade, environment and small and medium sized enterprises	2001	2002	PROPOSED	(1) 40'000 (2) 30'000 (3) 30'000
INT/93/A48	Trade and environment	1994	2001	ONGOING	
INT/94/A67	UNCTAD/UNEP High Level Meeting on Trade and Environment (Phase II): capacity-building task force in trade environment and development (UNEP Trust Fund)	2001		PROPOSED	
INT/97/A50	BIOTRADE Initiative Phase II: (1) Work in West-Africa; (2) Southern Africa; and (3) Asia with ITC	2000		ONGOING	
INT/98/A61	Strengthening research and policy-making capacity on trade and environment in developing countries	1999	2001	ONGOING	
INT/99/A60	Building national capacity in sustainable natural resource management: Series of seminars on encouraging sustainable natural resource management including waste minimization and environmentally sound resource recovery/recycling in rapidly industrializing developing countries	2000	2002	ONGOING	
INT/99/A64	Project standards and trade	1999	2001	ONGOING	
INT/...	Capacity-building in LDCs on trade related environment problems	2001	2003	PROPOSED	540'000
Competition law and policy consumer protection					
CUB/...	Strengthening the capacity of Cuban public institutions to foster Cuban economic growth and its insertion into the world economy (Component 1)	2001		PROPOSED	100'000
RUS/...	Capacity-building in the enforcement of anti-monopoly law in the Russian Federation and CIS countries	2001		PROPOSED	400'000
RAF/97/A41	Institutional and capacity building in competition law and policy for African countries	1997		ONGOING	
RAS/...	Competition policy for ASEAN countries	2001		PROPOSED	180'000
RLA/...	Strengthening competition policy and legislation in Central America	2001		PROPOSED	300'000
INT/86/A01	Training programme on RBPs (competition policies)	1986		ONGOING	
INT/...	Formulation and implementation of competition law and policy in Latin American countries	2001		PROPOSED	500'000

C. DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT

Projects proposed under this heading have taken into account the following recommendations of the Bangkok Plan of Action:

In the area of investment "UNCTAD should conduct policy oriented research on the role of FDI in export capacity building and human resource development" (paragraph 115).

In the area of enterprise development, "UNCTAD should identify ways and means for developing countries' SMEs to meet international standards, as well as to access and benefit from new technologies through networking and partnering, and enhance the capacity and participation of women entrepreneurs in terms of running small and medium-sized enterprises, thus contributing to poverty alleviation" (paragraph 119). "UNCTAD should conduct policy oriented research on the implications of the FDI, technological capacity building and enterprise internationalization for competition and competitiveness" (paragraph 121).

In the area of technology "UNCTAD should strengthen the innovative capacity of enterprises through the implementation of national policy reviews" (paragraph 124).

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
Investment issues analysis					
ETH/99/A02 ETH/99/A10	Revision of the banking education curriculum of the Ethiopian Institute of Banking and Insurance (Two projects: one for Banking and one for Insurance)	2001	2001	PROPOSED	740'000
RER/95/A02	Raising awareness of foreign/direct/investment issues in Poland	1995		ONGOING	
RAF/94/A38	Développement de marchés des assurances compétitifs (Phase V)	2000		ONGOING	
INT/93/A50	Transnational corporations and industrial restructuring in developing countries	1993		ONGOING	
INT/94/A22	Tradability of services: impact and implications for developing countries	1994		ONGOING	
INT/97/A12	Feasibility studies on the creation of private risk capital funds for LDCs	1997		ONGOING	
INT/97/A26	Multilateral framework on investment	1997	2001	ONGOING	
INT/98/A40	Investment Guides and capacity building for Least Developed Countries (LDCs)	1998		ONGOING	
INT/99/921	Needs assessment to attract Asian FDI investment to Africa (Phase I)	1999	2001	ONGOING	
INT/99/A39	International investment, multinational corporations and limits to the pursuit of domestic policies	1999	2001	ONGOING	
INT/00/942	Strengthening of South-South investment cooperation through sharing experiences in BITS	2000	2001	ONGOING	
INT/00/A25	Capacity building in developing countries on issues related to international investment agreements	2001	2005	PROPOSED	1'500'000
INT/...	Capacity building programme on issues related to attracting investment into developing countries: To build national capacity in developing countries and economies in transition, through advice, training as well as analysis and distribution of best practices.	2001	2005	PROPOSED	3'545'000
INT/...	Capacity building in developing countries on issues related to international investment agreements. The project focusses on deepening the understanding of national decision-makers on the issues involved, exploring the range of issues that needs to be considered and ensuring that the development dimension is addressed, with a view towards consensus-building.	2001	2005	PROPOSED	7'500'000
Investment policy and capacity-building					
ALB/93/014	Investment promotion in Albania	1994	2001	ONGOING	
BOL/99/A72	Strengthening investment promotion - Implementation of the National Investment Promotion Strategy	2000	2002	ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
CUB/...	Strengthening the capacity of Cuban public institutions to foster Cuban economic growth and its insertion into the world economy. Assistance in the area of banking and insurance (Component 3)			PROPOSED	200'000
DJI/00/001	Etude pour l'implantation de Zones franches commerciales, industrielles et de services a Djibouti	2000	2001	ONGOING	
ECU/...	STIP Review of Ecuador	2000	2001	PROPOSED	150'000
JOR/98/008	Competitiveness study and action plan on investment promotion for Jordan's minerals sector	2000	2001	ONGOING	
MAU/98/003	Appui au secteur privé dans le cadre de la lutte contre la pauvrete	1998	2001	ONGOING	
PAL/96/036	Development of an industrial estate in Nablus: project feasibility, implementing strategy and environmental impact	1996		ONGOING	
PAL/...	Strengthening capacities of the domestic insurance sector				155'000
PER/...	STIP Review of Peru	2000	2001	PROPOSED	150'000
RAS/	Assistance to Asian LDCs	2001		PROPOSED	700'000
RLA/...	Analysis of investment policies in Central America	2001		PROPOSED	250'000
INT/97/A44	Quick response window for ASIT	1997		ONGOING	
INT/97/A44	Quick response window for ASIT	2001		PROPOSED	200'000
INT/97/A44	Strengthening subregional investment promotion - Andean Community	2000		ONGOING	
INT/97/A44	Strengthening the capacity of Brazilian investment promotion and technology transfer system	2000		ONGOING	
INT/99/A33	Micro-Bank	1999	2001	ONGOING	
INT/99/A34	Crossborder Environmental Management in TNCs	1999	2001	ONGOING	
INT/99/A37	Support to WAIPA in providing a forum for exchange of experiences among investment promotion agencies (IPAs)	1999	2001	ONGOING	
INT/...	Investment policy review of: Belarus, Botswana, Chile, Ghana, Iran, Kenya, Pakistan and the United Republic of Tanzania	2000	2001	PROPOSED	861'600
INT/	Training in investment promotion and investor targeting	2001		PROPOSED	250'000
MTD12.340	National capacity buildling in investment promotion through enhanced south-south cooperation	2001		PROPOSED	1'631'000
Technology and enterprise					
AZE/96/A53	Training of auditors	1997		ONGOING	
CUB/	Strengthening the capacity of Cuban public institutions to foster Cuban economic growth and its insertion into the world economy. Assistance in the development of Government Accounting System (Component 4)	2001		PROPOSED	600'000
PAL/...	Support to small and medium-sized enterprise development (EMPRETEC)	2001		PROPOSED	300'000
RUS/...	EMPRETEC: Three project sites	2001	2004	PROPOSED	1'500'000
RAF/96/014	Enterprise Africa: Strengthening SME Creation, Development and Regional Integration	1996	2001	ONGOING	
RLA/...	Creation of a Distribution and Facilitation Center for Latin American SMEs in Kreis Neuss (Germany). Assessment and assistance to install and operate distribution and facilitation centre located in Germany providing Latin American firms with logistics support for their commercial operations	2001		PROPOSED	120'000
RLA/...	EMPRETEC in Central America and the Caribbean	2001		PROPOSED	500'000
INT/96/A57	Blueprint for green accounting	1997		ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPO BUDG
INT/98/A33	Mediterranean 2000	1998	2001	ONGOING	
INT/...	Women entrepreneurs and SME development: (1) Research-based policy options for developing countries and LDCs: ways and methods to overcoming obstacles to enhancing women's entrepreneurship. (2) First Global Workshop on Women Entrepreneurs and Development			PROPOSED	2'
INT/...	EMPRETEC: Training workshop on building e-commerce solutions. The objective of the project is to help SMEs entrepreneurs to become beneficianes of business opportunities emerging in e-commerce.	2001		PROPOSED	
INT/...	EMPRETEC: Training workshop on small-scale fruit and vegetable processing, including marketing of processed food. The objective is to demonstrate, through practical training, to entrepreneurs from the food processing sector the feasibility of small-scale processing of locally grown fruits and vegetables.	2001		PROPOSED	
INT/...	EMPRETEC: Promotion and installation of the programme INICIATIVA: Assistance to governments to modernize their ministries and public enterprises. Proposed countries where INICIATIVA would be installed: Algeria; Morocco Tunisia; Jordan; Cuba; Russian Federation; and three Central Asian republics.	2001	2002	PROPOSED	1'
INT/...	Dissemination of the EMPRETEC management information system and related evaluation tools. The purpose is to assist established EMPRETEC programmes in the implementation of a performance indicator system in order to improve their strategic planning and financial viability.	2001	2002	PROPOSED	
INT/...	Capacity-building in developing countries and economies in transition in areas of use of international accounting and auditing standards and corporate governance. The purpose of this project is to assist countries to implement international accounting and auditing standards and guidelines.	2001	2002	PROPOSED	

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT, AND TRADE EFFICIENCY

Projects proposed under this heding have taken into account the following recommendations of the Bangkok Plan of Action:

"UNCTAD's work programme, with regard to both analytical activities and technical cooperation, should include institutional reforms, capacity building and training activities supporting the build-up of an efficient services infrastructure for trade, as well as LDCs' specific problems, such as access to information technology and build-up of human resource capacity to utilize information technology and thereby participate in the information society" (paragraph 149). More specifically, in its work on customs reform and automation, "special attention should be given to capacity building in developing countries" (paragraph 153); and "UNCTAD should contribute to informing international debates on the developmental impact of global information networks addressing, in particular, developing countries' specific problems, such as access to information technology, infrastructure constraints and build-up of human resource capacity" (paragraph 156). "Given the vital importance of national capacity building in developing countries, UNCTAD should continue its activities within its field of competence in support of human resources development" (paragraph 159).

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
ASYCUDA Programme					
ALB/...	ASYCUDA	2001		PROPOSED	
BHU/...	ASYCUDA	2001		PROPOSED	
BIH/...	ASYCUDA	2000		ONGOING	
BOL/00/002	Apoyo a la implementación del Sistema Aduanero Automatizado SIDUNEA++	2000	2002	ONGOING	
BOT/...	ASYCUDA	2001		PROPOSED	
CHD/99/003	SYDONIA ++	1999	2001	ONGOING	
CMB/...	ASYCUDA	2001		PROPOSED	
CVI0T0BA	Ad hoc technical assistance to the Customs Board of the Republic of Cape Verde for migration of the ASYCUDA	2000	2001	PROPOSED	399'997
CYP/...	ASYCUDA	2001		PROPOSED	
ELS/99/002	Modernización del sistema de aduanas - migración a SIDUNEA++	1999	2001	ONGOING	
ETH/97/013	Implementation of ASYCUDA (Phase II)	1998	2001	ONGOING	
HON/92/018	SIDUNEA	1993		ONGOING	
IRA/99/009	ASYCUDA (Phase II)	1999	2001	ONGOING	
JOR/96/004	Computerisation of Customs procedures and data for improved revenue collection (Phase I)	1997	2001	ONGOING	
LEB/92/017	Fiscal reform and administration	1993	2001	ONGOING	
LEB/...	Fiscal reform and administration (Phase II)	2001		PROPOSED	
MAT/...	ASYCUDA	2001		PROPOSED	
MLW/98/A34	ASYCUDA	1999	2002	ONGOING	
MOL/...	ASYCUDA	2001		PROPOSED	
MON/...	Migration to ASYCUDA++	2001		PROPOSED	
NAM/94/A31	ASYCUDA	1993	2001	ONGOING	
NIC/99/A52	Migración a SIDUNEA++	1999	2001	ONGOING	
PAL/...	Strengthening technical and operational capacities in Customs administration (Phase I)	2001		PROPOSED	790'000
PHI/94/A36	ASYCUDA	1994		ONGOING	
ROM/95/A53	ASYCUDA	1995		ONGOING	
ROM/96/002	ASYCUDA	1996		ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
SLO/98/A25	Computerization of customs procedures and data	1998	2001	ONGOING	
SRL/97/A51	Customs modernization programme - Migration to ASYCUDA++	1997	2001	ONGOING	
UGA/...	ASYCUDA	2001		PROPOSED	
URT/98/009	ASYCUDA	1999	2001	ONGOING	
VEN0T0BA	Piloto SIDUNEA++	2000	2001	ONGOING	
YEM/97/002	Strengthening economic and financial management (Phase II) ASYCUDA ++ and DMFAS	1998	2001	ONGOING	
ZAM/97/A46	Computerization of Customs Procedures	1997	2001	ONGOING	
ZIM/99/A40	Institutional strengthening of Customs data processing system	1999	2001	ONGOING	
RAF/99/A14	SYDONIA v 2.7 (pays de la CEDEAO, et Centre Informatique Communautaire de la CEDEAO (CIC))	1999	2001	ONGOING	
RAF/...	ASYCUDA (Pacific islands)	2001		PROPOSED	
RAS/...	Establishment of a regional ASYCUDA support centre for eastern european countries	2001		PROPOSED	
RAS/98/A07	Computerisation of Customs Data and External Trade Statistics	1998	2001	ONGOING	
RLA/...	Establishment of a regional ASYCUDA support centre	2001		PROPOSED	
RLA/...	Central American regional strategy	2001		PROPOSED	400'000
RER/...	Establishment of a regional ASYCUDA support centre for ECOWAS countries	2001		PROPOSED	
INT/94/A49	ASYCUDA marketing activities	1994	2001	ONGOING	
INT/98/A19	Support for ASYCUDA implementation activities	1998		ONGOING	
INT/98/A26	Support to the enhancement of ASYCUDA - Development of a transit module	1998	2002	ONGOING	
INT/98/A42	Support for ASYCUDA implementation activities	1998		ONGOING	
INT/99/A57	ASYCUDA: passage à l'an 2000	2000	2001	ONGOING	
INT/99/A65	Soutien aux administrations des douanes des pays utilisateurs du système SYDONIA - Bogue de l'an 2000	1999	2001	ONGOING	
Trade logistics					
BGD/94/A57	Railway wagon information and control system (RAILWICS) + AVI	2000	2001	PROPOSED	250'000
BRA/...	ACIS RailTracker on Ferrosur, Noreste, Ferronorte	2000	2001	PROPOSED	350'000
BUL/99/A08	ACIS in Bulgarian State Railways	1999	2001	ONGOING	
CMR/93/A24	Installation du système RailTracker à la REGIFERCAM + Maintenance	2001	2001	PROPOSED	25'000
EAST TIMOR	Support in the area of maritime transport and port management	2001		PROPOSED	
ELS/...	ACIS, RailTracker, PortTracker within CEPA	2000	2001	PROPOSED	350'000
INS/98/011	Assisting private sector participation in maritime and related services	1998		ONGOING	
IRA/99/008	ACIS in Iran	1999	2001	ONGOING	
MLW/...	Extension of ACIS RailTracker on CEAR (Malawi + CFM)	2000	2001	PROPOSED	100'000
MON/...	ACIS in Mongolian RailTracker	2000	2001	PROPOSED	500'000
MYA/...	ACIS RailTracker in Myanmar	2000	2002	PROPOSED	250'000
NEP/97/A53	Promotion of the trade and transport sectors of Nepal	1998	2001	ONGOING	
NIR/97/A21	Installation of ACIS in Nigeria (railways, ports, rivers and BIS)	2000	2004	PROPOSED	11'027'000
PAL/...	Managerial and institutional capacities for Gaza Seaport (Port Law / Port Cell)	2001		PROPOSED	65'000
PAL/...	Promoting subregion cooperation of PA with Egypt, Jordan (Phase II)	2001		PROPOSED	88'000
PAK/...	ACIS in Pakistan RailTracker	2000	2001	PROPOSED	200'000
PAK/99/A01	Promotion of the trade and transport sectors	1999	2001	ONGOING	
PER/...	ACIS in Peru (Andine)	2000	2001	PROPOSED	250'000
SOM/98/001	Ports and trade efficiency for economic recovery of Somalia	1998	2001	ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
SRL/...	ACIs in Srilankan RailTracker	2000	2001	PROPOSED	250'000
THA/...	ACIS in Thailand, RailTracker, PortTracker and Rivers	2000	2002	PROPOSED	500'000
VIE/...	ACIS in Viet Nam RailTracker	2001	2002	PROPOSED	
RAF/94/A70	Development and installation of ACIS in COMESA (Phase I)	1995	2001	ONGOING	
RAF/99/A07	ACIS RailTracker in Southern Africa (Rolling Stock Information System) (Phase I)	1999	2001	ONGOING	
RAF/...	Development and installation of ACIS in COMESA (Phase II)	2001	2004	PROPOSED	2'500'000
RAF/...	ACIS RailTracker in Southern Africa (Rolling Stock Information System) (Phase II)	2001	2002	PROPOSED	500'000
RAF/...	Port rehabilitation in West Africa: rehabilitation of port services and training of port managers in Guinea-Bissau, Liberia and Sierra Leone			PROPOSED	138'000
RAF/...	Human resources development for efficient transport in the Horn of Africa: the first phase would assess overall training needs, prepare a work plan and determine funding requirements			PROPOSED	66'000
RAS/...	ACIS regional Mekong River system	2001	2003	PROPOSED	
RLA/...	Implementarton of a plan of action for the facilitation of transport and trade in Central America	2001		PROPOSED	33'000
INT/...	Support for ACIS promotion and activities	2000	2005	PROPOSED	
INT/...	Assisting private participation in maritime and related services increasing efficiency through training programmes: focus on small island developing countries to enable shippers to better access competitive shipping services and to provide management training to national transport operators	12 months		PROPOSED	177'000
Information and training					
TRAINMAR					
ANG/...	TRAINMAR plan of action	2001	2001	PROPOSED	104'000
BEN/...	TRAINMAR plan of action	2001	2001	PROPOSED	95'000
BRA/98/A29	Préparation d'un plan de développement des ressources humaines	1999	2001	ONGOING	
GAB/95/A61	Préparation d'un plan d'action et de formation dans le domaine portuaire et para-portuaire	1996	2001	ONGOING	
NIR/95/A92	TRAINMAR (Pilot Project)	2001		PROPOSED	72'628
TOG/...	TRAINMAR plan of action	2001	2001	PROPOSED	95'000
URT/...	TRAINMAR plan of action	2001	2001	PROPOSED	92'445
RAF/96/A49	TRAINMAR in Western/Central Africa (Certificat portuaire CNUCED)	1997	2001	ONGOING	
RAF/98/A04	Appui TRAINMAR aux Pays Africains de Langue Officielle Portugaise (PALOP)	1998	2002	ONGOING	
RAF/...	TRAINMAR network support for Africa	2001	2004	PROPOSED	581'950
RAS/...	TRAINMAR action plan for Asia	2001		PROPOSED	74'863
RAS/...	Regional TRAINMAR development in Asia	2001	2006	PROPOSED	2'384'380
RAS/...	TRAINMAR action plan for Pacific states	2001	2001	PROPOSED	87'092
RAS/...	Regional TRAINMAR development in Pacific states	2001	2004	PROPOSED	1'375'210
RER/...	TRAINMAR network support for countries with economies in transition	2001	2003	PROPOSED	293'800
RLA/...	Implementation through TRAINMAR of training policy for maritime trade	2001	2004	PROPOSED	971'800
RLA/...	TRAINMAR network for small islands	2001	2002	PROPOSED	370'640
RLA/...	Strengthening of the Central American port and maritime training systems	2001	2002	PROPOSED	
INT/91/A15	TRAINMAR	1991	2001	ONGOING	
INT/94/A54	Centre TRAINMAR Belgique	1994	2001	ONGOING	
INT/96/A55	Participation aux actions engagées par l'Equipe Centrale d'Appui	1997	2003	ONGOING	
INT/99/A51	TRAINMAR	1999	2001	ONGOING	

PROJECT NO.	SHORT TITLE	DURATION		STATUS 2000	PROPOSED BUDGET
INT/99/A54	CD-ROM training on management.	1999	2001	ONGOING	
INT/99/A61	Promotion of the international TRAINMAR Programme	1999	2001	ONGOING	
INT/...	TRAINMAR management of training workshop (institution building)	2001	2001	PROPOSED	70'060
INT/...	Internet skills and applications for TRAINMAR (institution building and training)	2001	2001	PROPOSED	135'600
INT/...	TRAINMAR coordinator	2001	2004	PROPOSED	450'000
TRAINFORTRADE					
CPR/...	Training scheme for China and the development of 2 TRAINFORTRADE courses. The development of a national training scheme for China. Production of 2 TRAINFORTRADE courses: Trade Point Management and E-commerce			PROPOSED	360'000
CVI/99/A20	Préparation d''un plan de développement de ressources humaines et de formation portuaire, para-portuaire et de commerce international	2000	2001	PROPOSED	56'000
MAU/...	Projet d'assistance préparatoire à la formation au commerce international en Mauritanie	2001		PROPOSED	61'000
PAL/...	TRAINFORTRADE courses	2000	2001	PROPOSED	150'000
RAF/99/A09	Mise en place de capacités de formation au commerce international	2000	2001	ONGOING	
RAF/...	Project for developing human resources in the field of international trade and environment in lusophone countries	2001		PROPOSED	80'000
RAF/...	Project d'assistance préparatoire à la formation au commerce international à Madagascar et aux Comores	2001		PROPOSED	62'500
RAF/...	Project d'assistance préparatoire à la formation au commerce international en Republique Centrafricaine et au Tchad	2001		PROPOSED	59'000
RAS/...	Project for developing human resources in the field of international trade in Cambodia and Lao PDR	2001		PROPOSED	57'100
RAS/...	Project for developing human resources in the field of international trade in the Pacific Islands' Least Developed countries	2001		PROPOSED	71'000
RLA/99/A31	Project for developing human resources in the field of international trade in the CARIFORUM countries	2000	2001	PROPOSED	63'290
INT/90/A18	Training in the field of foreign trade	1990	2001	ONGOING	
INT9X9DY (INT/99/A48)	Training in international trade for LDCs	2000	2001		360'000
INT/99/A68	Appui au programme TRAINFORTRADE	2000	2001	ONGOING	
INT/...	Project for capacity building in the area of international trade and transport law, including electronic commerce for LDCs (Development of training packages)	2001		PROPOSED	576'000
INT/...	Project on capacity building in the area of training for trade point management for LDCs (Development of training packages)	2001		PROPOSED	292'000
INT/...	Project for capacity building in the area of international trade finance and credit insurance for LDCs (Development of training packages)	2001		PROPOSED	312'000

Trade Points

Under this programme two ongoing projects, in Bulgaria (BUL/98/A02) and Hungary (HUN/94/003), are expected to continue into 2001.

In response to requests received from beneficiaries, project proposals for the following have been included in the plan by the secretariat: Albania, Algeria, Bangladesh, Botswana, Burkina Faso, Egypt, Eritrea, Ethipia, Gambia, Ghana, Jordan, Kenya, Lebanon, Lesotho, Macau, Madagascar, Maldives, Malawi, Mali, Mauritania, Morocco, Mozambique, Myanmar, Namibia, Nigeria, Palestinian Authority, South Africa, Sudan, Swaziland, Uganda, United Republic of Tanzania and Zimbabwe. The average cost of each project is approximately $100,000.

PROJECT NO.	SHORT TITLE	DURATION	STATUS 2000	PROPOSED BUDGET
In addition, the secretariat has included a number of regional proposals relative to the delivery of training courses, the strengthening of Trade Points and support to Networking:				
RAF/...	Strengthening of Trade Points in Western Africa; Trade Point training scheme for the African region and development of three TRAINFORTRADE courses; Implementing an Anglophone African Trade Point Forum	2001	PROPOSED	
RAS/...	Strengthening of Trade Points in the Pacific Islands; delivery of Trade Points training courses; strengthening the Asia and Pacific Trade Point Forum	2001	PROPOSED	
RLA/	Enhancing the capacity of Trade Points in Latin America and the Caribbean: Delivery of Trade Points training courses	2001	PROPOSED	200'000
Electronic commerce			PROPOSED	992'000
INT/...	Regional workshops on the Measuring e-commerce in developing countries	2001	PROPOSED	
ROA 2001-2180-6395	Promotion of Electronic Commerce	2000	ONGOING	

E. OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES

The main priority for the Office of the Special Coordinator is the preparation of LDC III and its immediate follow-up. A number of donors are contributing to this activity. A report on the financial situation for the preparatory process of the Conference will be provided to the Trade and Development Board at its forty-seventh session in October 2000.

F. OTHER TECHNICAL COOPERATION PROGRAMMES

In addition to the above projects to be implemented at divisional level, the following programmes are proposed for implementation at the cross-divisional level.

PROJECT NO.	SHORT TITLE	DURATION	STATUS 2000	PROPOSED BUDGET
1. Support to the Arab States in economic and social reform:				
The following proposals to be financed under a regional project in favour of Arab States are under consideration by UNCTAD, beneficiary countries and potential donors.				
RAB/...	Integration of the Arab countries into the international trading system. Assistance is proposed in the following areas: commercial diplomacy training and research in the Arab States; Euro-Mediterranean (Phase II); Regional workshop on the Arab States' external debt; analysis of the balance of payment of Arab States; trade and environment; competition policies; enabling environment for foreign investment (Phase II); intensive training course on the analysis and negotiation of international investment agreements for Arab States; TRAINFORTRADE; TRAINMAR; promotion of electronic commerce; expanding the GTPNet in Arab States through the implementation of an Arab/Mediterranean Trade Point Forum; modern trade finance and credit information	2001	PROPOSED	
2. UNCTAD/UNDP global project				1'000'000
GLO//98/615	The Programme's objective is to enhance the ability of developing countries to manage their integration into the global economy in a manner supportive of sustainable human development			
3. Dispute settlement				1'926'594
INT/00/A27	Building capacity through training in dispute settlement in international trade, investment and inetellectual property. The proposed project aims at enhancing the permanent capacity of professionals within developing countries to participate more fully in dispute settlement, *inter alia* by introducing specialized courses on the subject at universities and research institutions, and by training of teachers at the local level. Focus will be on dispute settlement in WTO, WIPO, ICSID and UNCITRAL	2000 2002	PROPOSED	
4. Gender and globalization				
INT/...	The gender impact of globalization - towards new alliances: in response to UNCTAD X (Plan of Action, paras. 8, 9 and 109) the project will analyse, based on a common methodology, the gender impact of globalization at the country level. The operational phase will develop ideas on how to build new alliances between civil society actors and the United Nations in addressing gender imbalances	2001 2002	PROPOSED	420'000

PROJECT NO.	SHORT TITLE	DURATION	STATUS 2000	PROPOSED BUDGET
5.	***Activities related to the International Institute for Trade and Development in Bangkok***			
	The agreement between the Royal Thai authorities and UNCTAD concluded during the tenth session of the Conference envisages a variety of support measures from UNCTAD to the Institute	2001	2003	PROPOSED
6.	***Implementation of paragraph 166 of the Bangkok Plan of Action***			
	Paragraph 166 of the UNCTAD X Plan of Action states that UNCTAD's existing capacity-building programme should be strengthened To respond to this request UNCTAD is seeking to strengthen its technical assistance and capacity-building activities through a programme entitled "The Strengthening of UNCTAD's Capacity-Building". Details regarding this programme are included in document TD/B/WP/133 *The programme includes five components, as follows:* *1. Strengthening UNCTAD's capacity-building reach* *2. Training courses on key issues of the international economic agenda* *3. Capacity-building in trade and development in national poverty reduction strategies* *4. UNCTAD scholars capacity-building network* *5. Cyber reference space and research links network*			

Annex I

Country/territory/region codes

A

AFG	Afghanistan	ANT	Antigua and Barbuda
ALB	Albania	ARG	Argentina
ALG	Algeria	ARM	Armenia
ANG	Angola	ARU	Aruba
ANL	Anguilla	AZE	Azerbaijan

B

BAH	Bahrain	BKF	Burkina Faso
BAL	Baltic States	BOL	Bolivia
BAR	Barbados	BOT	Botswana
BDI	Burundi	BRA	Brazil
BEN	Benin	BRU	Brunei Darussalam
BER	Bermuda	BUL	Bulgaria
BGD	Bangladesh	BVI	British Virgin Islands
BHA	Bahamas	BYE	Belarus
BHU	Bhutan	BZE	Belize
BIH	Bosnia and Herzegovina		

C

CAF	Central African Republic	CMB	Cambodia
CAM	Central America (regional)	CMR	Cameroon
CAR	Caribbean (regional)	COI	Comoros
CAY	Cayman Islands	COL	Colombia
CHD	Chad	COS	Costa Rica
CHI	Chile	CPR	China
CIS	Commonwealth of Independent States (regional)	CRO	Croatia

CKI	Cook Islands	CYP	Cyprus
CUB	Cuba	CZE	Czech Republic
CVI	Cape Verde		

D

DJI	Djibouti	DRK	Democratic People's Republic of Korea
DMI	Dominica		
DOM	Dominican Republic		

E

ECU	Ecuador	ERI	Eritrea
EGY	Egypt	EST	Estonia
ELS	El Salvador	ETH	Ethiopia
EQG	Equatorial Guinea		

F

FIJ	Fiji

G

GAB	Gabon	GRN	Grenada
GAM	Gambia	GUA	Guatemala
GBS	Guinea-Bissau	GUI	Guinea
GEO	Georgia	GUY	Guyana
GHA	Ghana		

H

HAI	Haiti	HUN	Hungary
HON	Honduras		

I

IND	India	IRQ	Iraq
INS	Indonesia	IVC	Côte d'Ivoire
IRA	Iran (Islamic Republic of)		

J

JAM	Jamaica	JOR	Jordan

K

KAZ	Kazakhstan	KUW	Kuwait
KEN	Kenya	KYR	Kyrgyzstan
KIR	Kiribati		

L

LAO	Lao People's Democratic Republic	LIB	Libyan Arab Jamahiriya
LAT	Latvia	LIR	Liberia
LEB	Lebanon	LIT	Lithuania
LES	Lesotho		

M

MAG	Madagascar	MOL	Republic of Moldova
MAL	Malaysia	MON	Mongolia
MAR	Mauritius	MOR	Morocco
MAT	Malta	MOT	Montserrat
MAU	Mauritania	MOZ	Mozambique
MCD	The Former Yugoslav Republic of Macedonia	MYA	Myanmar
		MLI	Mali
MDV	Maldives	MLW	Malawi
MEX	Mexico		

N

NAM	Namibia	NIC	Nicaragua
NAN	Netherlands Antilles	NIR	Nigeria
NEP	Nepal	NIU	Niue
NER	Niger		

O

OMA	Oman

P

PAK	Pakistan
PAL	Palestinian Authority
PAN	Panama
PAR	Paraguay
PER	Peru
PHI	Philippines
PNG	Papua New Guinea
POL	Poland
PRC	Congo
PUE	Puerto Rico

Q

QAT	Qatar

R

RAF	Africa (regional)
RAS	Asia and the Pacific (regional)
RER	Europe (regional)
RLA	Latin America and the Caribbean (regional)
ROK	Republic of Korea
ROM	Romania
RUS	Russian Federation
RWA	Rwanda

S

SAF	South Africa
SAM	Samoa
SAU	Saudi Arabia
SEN	Senegal
SEY	Seychelles
SIL	Sierra Leone
SIN	Singapore
SLO	Slovakia
SOI	Solomon Islands
SOM	Somalia
SRL	Sri Lanka
STH	Saint Helena
STK	Saint Kitts and Nevis
STL	Saint Lucia
STV	Saint Vincent and the Grenadines
STP	Sao Tome and Principe
SUD	Sudan
SUR	Suriname
SVN	Slovenia
SYR	Syrian Arab Republic
SWA	Swaziland

T

TAI	Taiwan Province of China
TAJ	Tajikistan
TCI	Turks and Caicos Islands
THA	Thailand
TOG	Togo
TOK	Tokelau
TON	Tonga
TRI	Trinidad and Tobago

TUK	Turkmenistan	TUR	Turkey
TUN	Tunisia	TUV	Tuvalu

U

UAE	United Arab Emirates	URT	United Republic of Tanzania
UGA	Uganda	URU	Uruguay
UKR	Ukraine	UZB	Uzbekistan

V

VAN	Vanuatu	VIE	Viet Nam
VEN	Venezuela		

Y

YEM	Yemen	YUG	Yugoslavia

Z

ZAI	Democratic Republic of the Congo	ZIM	Zimbabwe
ZAM	Zambia		